FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 141

23 July 1986

ARGENTINA

Alfonsin Returns From Six-Nation Tour B 1
President Linked to Suspected SIDE Agent B 1
Lopez Confirms Connection B 1
U.S. Policy Toward Nicaragua Termed 'Aggression' B 2
Airline Pilots Association Ends Strike B 2

BOLIVIA

Further Reportage on Joint Antidrug Campaign C 1
Trafficking 'Breaking Up' C 1
Minister Explains Authorization C 1
Groups Express Opposition C 2
Additional Aid Sought C 3
Panama Admits Bolivians C 4
Cochabamba Workers Vote on Tax, Foreign Debt C 4
Briefs: Income Tax Department Head C 4

BRAZIL

Agrarian Reform Planners Investigated by SNI D 1
[FOLHA DE SAO PAULO 17 Jul]

CHILE

Pinochet Addresses Eighth Mayors' Congress E 1
Cuadra Denies Cabinet Crisis, Comments on Abrams E 2
Foreign Minister Denies Possible Return of Exiles E 3
FPMR Vows Not To Hinder Peace Efforts E 4
Police Repress Valdivia University Students E 4

COLOMBIA

President Betancur Addresses Senate 20 July F 1
Minister on Amnesty International Report F 5
New ELN Guerrilla Attack on Oil Pipeline F 5
ELN Reportedly Abducts 4 Oil Firm Employees F 5
Police Officers Serving as Advisers in Bolivia F 5
2 ELN Guerrilla Units Join Peace Process F 6
UP To Work With Parties, Announces Bills F 6

URUGUAY

LA HORA Interviews Communist Party's Arismendi K 1
[6 Jul]

VENEZUELA

Reaction to President's Economic Measures L 1
Finance Minister Azpurua L 1
Party Leaders L 2
Further Party Reaction L 2

MEXICO

Credit Agreement Signed With IMF 22 July M 1

PANAMA

Bolivian Envoy on Entry of Drug Traffickers, Citizens N 1
[EXTRA 22 Jul]
Ambassador in Caracas Says Reporters Not Exiles N 1
[LA PRENSA 17 Jul]
Bishops Issue Document on 'Feeling of Fear' N 3
[LA PRENSA 12 Jul]

CENTRAL AMERICA

EL SALVADOR

General Vides Reports on 1985-86 Achievements P 1
ACAN Interviews Armed Forces Chief Blandon P 4
Contra Aid, Contadora, Condeca P 4
War, Reconstruction Plans P 5
Castillo Claramount on Nicaraguan Charge, Dialogue P 5
Border Commission Yields Agreement With Honduras P 7
Rivera y Damas 'Optimistic' About Dialogue P 8
FMLN Rejects Rivera y Damas Accusations P 8

GUATEMALA

Congress President Departs for Washington P 9
Observer Status at UK Talks Favored for Belize P 9
[EL GRAFICO 18 Jul]
Navy Captures 2 Mexican Fishing Vessels P 10

HONDURAS

Montoya Views Military Training in Border Areas P 10
Contras, FMLN Reportedly Using Honduran ID Cards P 11

NICARAGUA

Ortega To Participate in 29 July UN Meeting [AFP] P 11
Ortega To Attend Balaguer Inauguration P 11
Return Authorized for U.S. Press Correspondents P 12
Soviets Donate Wheat; Bread Supply 'Assured' P 12
Commander Ruiz To Visit Vietnam 24-31 July P 12
Tinoco Comments on Status of Contadora P 13
Arce Meets With Ecuadoran Peace Delegation P 13
Further on L.A. Youth Conference in Managua P 14
Cardenal on Church-State Relations P 14
Meeting Adjourns P 14
Torres on Country's Right To Purchase Weapons P 15
Briefs: Housing Sector Achievements P 15

CUBA

Central Committee Meeting Assesses Economy Q 1
Castro on U.S. 'Danger' [EFE] Q 1
Other Topics Discussed Q 2
Government Denies Agreement With Banks Q 6
Delegation Visits Nicaragua's Region 4 Q 6
Peace Movement Greets Sandinist Anniversary Q 7
Bravo Discusses Relations With Mexican Senator Q 7
Conditions for Joining ALADI Called 'Ripe' Q 7
[Mexico City]

CARIBBEAN

BERMUDA

Team To Participate in Commonwealth Games S 1

HAITI

Former Duvalier Official Convicted 22 July S 1

ST VINCENT

St Vincent, Spain Establish Diplomatic Relations S 2

SURINAME

Shots Fired at Albina Army Post; Three Wounded U 1

OTHER COUNTRIES

INTER-AMERICAN AFFAIRS

Additional Resolutions from L.A. Parliament [EFE] V 1

DOMINICAN REPUBLIC

Balaguer Postpones U.S. Visit Due to Illness V 1
[ULTIMA HORA 22 Jul]

ALFONSIN RETURNS FROM SIX-NATION TOUR

PY222307 Buenos Aires TELAM in Spanish 2234 GMT 22 Jul 86

[Text] Buenos Aires, 22 Jul (TELAM) -- President Raul Alfonsin arrived tonight at 1900 [2200 GMT] at Ezeiza International Airport, concluding an extensive visit to Oceania, Asia, and Europe. The chief of state began his 13-day trip by visiting New Zealand. He then visited Australia, Japan, the Philippines, Saudi Arabia, and Portugal.

PRESIDENT LINKED TO SUSPECTED SIDE AGENT

PY221507 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1748 GMT 21 Jul 86

[Excerpt] Buenos Aires, 21 Jul (NA) -- Former Secretariat for State Intelligence (SIDE) Secretary Roberto Pena today revealed that Pablo Valle, a former intelligence agent who is at large, was appointed to the SIDE "at the suggestion of President Raul Alfonsin in gratitude for his long UCR [Radical Civic Union] membership." Pena stated that Valle "had a clear and untarnished record with the Organization of American States (OAS) as a specialist in negotiations in the diplomatic and cultural sphere."

Pena thus countered a statement made by former Defense Minister German Lopez, who said that Pablo Valle "was appointed 2 years ago by the then SIDE secretary." Pena also said that "the official reports are surprising and contradictory," concerning the presumed malfeasance and SIDE's alleged sale of secret codes to British agents.

"Valle was a trustworthy person with an untarnished and clean record, a very good friend of Alfonsin. It is curious that the government first reported on, and then denied, the alleged sale of secret codes," Pena added.

Pena recalled that "he was suggested to me by President Alfonsin, who pointed out his long UCR membership and his honesty, stating that he was a good man. Thus, he joined the SIDE."

Former Defense Minister German Lopez holds Roberto Pena responsible for the appointment of Valle, who has been charged with committing serious irregularities as a SIDE agent. [passage omitted]

Lopez Confirms Connection

PY221921 Buenos Aires Domestic Service in Spanish 1600 GMT 22 Jul 86

[Text] Former Defense Minister German Lopez this morning said that the Secretariat for State Intelligence [SIDE] secretary, Facundo Suarez, is showing that he does not have the capacity to hold that post. He is not managing well the information on the Radical Civic Union [UCR] internal debate on the case of former intelligence agent Pablo Valle, who is still at large, said Lopez. It is inadmissible, he added, that Facundo Suarez, whose duty is to convey accurate information to the executive branch, is not capable of reporting properly on the facts that led to Valle's appointment.

German Lopez has also confirmed the statement made by former Intelligence Secretary Roberto Pena, who said that Valle was hired as a result of President Alfonsin's mediation. Interior Secretary Facundo Suarez Lastra, and SIDE Secretary Facundo [titles and names as heard] for the discussion that has started over Valle's appointment.

When referring to the SIDE communique which states that German Lopez was not responsible for Valle's appointment, Lopez said that it was a careless move, adding that it is inadmissible to first say that the secret codes were stolen and then deny it as if nothing had happened.

U.S. POLICY TOWARD NICARAGUA TERMED 'AGGRESSION'

PY221515 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0040 GMT 19 Jul 86

[Text] Buenos Aires, 18 Jul (NA) -- A proposal to form a parliamentary commission to back Nicaragua was put forward tonight during a press conference offered in the congressional annex building. The event, however, turned into an act of solidarity with the Central American country because of the seventh anniversary tomorrow of the Sandinist revolution.

The meeting was called by the committee presiding over the peace and solidarity ship that will soon depart for Nicaragua carrying food and clothing. The Nicaraguan ambassador in Argentina, Fernando Guzman Cuadra, was present at the ceremony.

The initiative to form the parliamentary commission to back Nicaragua was promoted by National Deputy Eduardo Vaca (Renewal Peronism) with the support of Miguel Monserrat (Intransigent Party).

During the meeting, Colonel Horacio Ballester, president of the Military Center for Democracy in Argentina (Cemida); the clergyman Jose de Luca (leader of the People's Front); and Colonel Cesar Diaz, retired, (Argentine Latin American Unity), also expressed their opinion on the Central American issue.

Lawyer and newspaperman Rodolfo Matarolo explained the legal meaning of the decision handed down by the International Court of The Hague, in which the U.S. attitude toward Nicaragua was condemned and defined as an "aggression."

All the speakers pointed out the existence in Nicaragua of a "pluralist democracy," condemned the U.S. attitude, and called for supporting the peace and solidarity ship.

Hebe de Bonafini, head of the Mothers of Plaza de Mayo, also was present and joined the presiding committee that is coordinating this initiative. The press conference was closed by Ambassador Guzman Cuadra.

AIRLINE PILOTS ASSOCIATION ENDS STRIKE

PY230318 Buenos Aires Domestic Service in Spanish 0200 GMT 23 Jul 86

[Text] The Airline Pilots Association, APLA, whose legal status was suspended for 6 months by the Labor Ministry, tonight unconditionally ended its 21-day-old strike. An APLA commission, comprising APLA Secretary General Mario (Mazone) and labor inspector Eduardo (Cavalli), will meet with government officials tomorrow.

The strike was ended under the conditions requested by Minister of Public Works and Services Pedro Trucco after a meeting with APLA leaders in the Labor Ministry this afternoon. The pilots canceled a press conference scheduled for this afternoon and urgently called for an assembly which decided by majority to end the strike.

FURTHER REPORTAGE ON JOINT ANTIDRUG CAMPAIGN

PY221530 Madrid EFE in Spanish 1934 GMT 21 Jul 86

[Text] La Paz, 21 Jul (EFE) -- Bolivian Information Minister Hernan Antelo today stated that the strategy being applied jointly by Bolivian forces and U.S. troops in various parts of Bolivia has managed to halt the processing of cocaine. During a press conference, the minister explained that the strategy is aimed at "breaking up the system for processing and marketing cocaine" established more than a decade ago. "We have managed to break the backbone of drug trafficking in Bolivia, breaking up the system for marketing and processing cocaine. Right now, cocaine is being neither processed nor marketed," the minister said.

Antelo made these statements in response to press reports questioning the effectiveness of the plan against drug trafficking owing to the exodus of drug traffickers a month ago and the mistakes made by the special forces who have confused huts of peaceful citizens with drug trafficker camps. The minister also referred to foreign press reports that the joint operation is aimed at capturing Roberto Suarez, who is known as the "cocaine king."

"Roberto Suarez is in decline, but there are other more powerful drug traffickers who will surely be captured," the minister said.

"The drug traffickers are more concerned now about fleeing and dismantling the laboratories than about processing cocaine," the minister added. Reports released today to EFE by drug experts assert that cocaine prices are rising steeply as a result of the joint operations that began on Wednesday, 16 July.

"They surely are hoping to return but that will be difficult, because we have managed to control their strongholds, which have been impregnable until now," Antelo stated.

The "Bol-USA" antinarcotics plan does not have a deadline and will go on indefinitely, which has drawn general protests from Bolivian parties and trade union organizations, which are describing the presence of foreign military forces in Bolivia as "open intervention."

Minister Explains Authorization

PY220331 La Paz La Red Panamericana in Spanish 0000 GMT 22 Jul 86

[Text] Foreign Minister Guillermo Bedregal Gutierrez has stated that the authorization for the entry of U.S. troops was given by his office through an exchange of notes. He explained that negotiations for this operation began in 1983 and that the agreement has great importance in view of the country's need to fight drug trafficking.

[Begin Bedregal recording] The negotiations began in 1983, when the Bolivian Government pointed out to the U.S. Administration the need to prepare a plan to combat drug trafficking. It was a very difficult and painstaking negotiation. It involved a very intricate [words indistinct] to think that the drug-trafficking problem involved simply the destruction of crops. We have seen, for example, that when Mr Whitehead, the assistant secretary of state, was here, we sent a note to Mr Shultz requesting active U.S. participation in eradicating this evil. This process concluded with verbal notes presented by the U.S. Embassy some 15 days ago.

According to the note received by the Interior Ministry, the United States agreed to grant technical and logistical assistance for operations where the drug is being manufactured. [end recording]

The foreign minister added that drug trafficking generates some $2 billion [passage indistinct].

[Begin Bedregal recording] Unfortunately, drug trafficking has a financial power that in Bolivia alone surpasses $2 billion, according to estimates we have at hand. Moreover, this operation is included in the Single Agreement for Struggle Against Drug Traffickers signed at the United Nations in 1961. This agreement includes a 1972 protocol. There are also bilateral agreements between the United States and other countries. [end recording]

The foreign minister added that the operation is only beginning and that the results will be seen later. He added that by no means is the national sovereignty territory. [recorded passage indistinct]

Groups Express Opposition

PY222344 Paris AFP in Spanish 1503 GMT 22 Jul 86

[By Eduardo Paz]

[Text] La Paz, 22 Jul (AFP) -- Strong opposition to the participation of U.S. Army troops along with the local police in the fight against drug trafficking in Bolivia started to take shape today in political and social circles. The most radical position was taken by workers, peasants, and residents of Chapare, an area that produces the raw material for cocaine. They held three demonstrations to request the resignation of President Victor Paz Estenssoro for allowing the presence of U.S. military personnel in Bolivian territory.

The Chapare residents also said they will be unuielding in the defense of the coca plantations because this is their only means of making a living. They added that they will prevent their farms from being damaged by soil-destroying chemicals. The demonstrators called on the military, police and congressment to stand up in defense of the national dignity, and to confront the U.S. forces who, unable to fight drug traffic in their own country, came to destroy the coca crops in Bolivia.

Senate President Oscar Zamora and Chamber of Deputies President Gaston Encinas said that Congress will summon Defense Minister Fernando Valle and Interior Minister Fernando Barthelemy to give explanations, which, if inadequate, will make the government liable to court action.

Opposition congressmen noted that under Bolivian law any authorization for foreign troops to operate in the country must be approved by Congress, otherwise, the Constitution is violated.

Socialist Deputy Roger Cortez said that with this attitude, the United States is extending its borders to the Bolivian Amazon, using drug traffic as a pretext. MIR (Movement of the Revolutionary Left) Congressman Antonio Aranibar added that the government of Paz Estenssoro is opening the doors to foreign intervention in Bolivia.

In turn, the COB (Bolivian Workers Central) and the larger labor unions have expressed concern over the consequences of the presence of foreign troops who seek to destroy coca plantations, in view of their inability to break the imperialist drug trafficking network. Union leaders explained that over 100,000 Bolivians will be affected by the indiscriminate repression, especially farmers and traders in the region of Chapare and Las Yungas, where coca is grown.

Official spokesmen replied that the combined action by the Bolivian Police, the Army and the DEA (Drug Enforcement Administration) of the United States is directed only against criminals.

The demonstrators added that the U.S. presence in Bolivia is in accordance with Ronald Reagan's interventionist policy in Latin America, which is based on his definition of national security.

The 160 U.S. soldiers, who have received orders to shoot if they are in danger, and the 16 DEA experts arrived in Bolivia on 14 July in several Hercules airplanes and a gigantic Galaxy airplane. They are equipped with six armed Black Hawk helicopters and sophisticated communications equipment. These forces, in coordination with the Leopards (elite native troops), rapidly set up bases in Trinidad and Josunai in the Bolivian Amazon, where they began to operate.

Up to now five operations are known to have taken place, resulting in the destruction of an industrial cocaine-processing laboratory and the arrest of one suspect. The Bolivian police reported that 18 people have been arrested in Santa Cruz because of their connection with the drug trafficking network. Finally, residents in Beni the large region where the Leopards and U.S. troops are operating, released a document asking authorities for the immediate withdrawal of the foreign troops.

Additional Aid Sought

PY182051 Madrid EFE in Spanish 1723 GMT 18 Jul 86

[Excerpt] La Paz, 18 Jul (EFE) -- Interior Minister Fernando Barthelemy today stated that the aid the United States is granting to Bolivia for the struggle against drug trafficking is not sufficient and asked for the cooperation of all industrialized countries.

Barthelemy made these remarks while the U.S. Army and the Bolivian police are conducting a joint operation against drug trafficking which began on 16 July. According to reports given to EFE by reliable sources who asked not to be identified, the purpose of the operation is not to detain drug traffickers.

The sources reported that the Bolivian police know very well that the main drug traffickers have fled from the zones where the operation will be carried out. They added that the operation seeks to find and destroy laboratories where the cocaine is manufactured. "Corruption has reached unsuspected extremes. The drug traffickers' power has corrupted authorities, judges, and policemen. The young people and children are also threatened by drug addiction," Barthelemy stated. The minister added that in view of this situation, a budget of $100 million is insufficient.

He stated: The industrialized countries must become aware that drug trafficking is a universal epidemic that mostly affects the Western world, where this activity generate some $200 billion.

We need at least a third of that amount to fight against that evil, Barthelemy stated.

The interior minister expressed concern that drug trafficking in Bolivia places $700 million a year in circulation, more than 100 percent of Bolivia's exports. And we get only $100 million to fight against it. [passage omitted]

Panama Admits Bolivans

PA222256 Paris AFP in Spanish 2219 GMT 22 Jul 86

[Text] La Paz, 22 Jul (AFP) -- The Panamanian Government retracted its decision to prevent the entry to that country of Bolivians with regular passports, in view of the protest from the Bolivian Foreign Ministry, it was reported officially today in La Paz. Officials of the Panamanian Embassy in La Paz were summoned to the Foreign Ministry, where they were asked for explanations -- which they gave -- on the Panamanian Government's decision.

"We wish to reiterate that the Panamanian Government and people maintain their cordial relations with the Bolivian Government and people," Jose Rodrigo de la Roas, charge d'affaires, stated. The official explanation occurred 24 hours after the Panamanian Government decided to ban the entry of Bolivians to its territory to prevent the possible arrival of drug traffickers who might be fleeing from the repression that is being carried out by combined forces of the United States and Bolivia in the northeastern part.

COCHABAMBA WORKERS VOTE ON TAX, FOREIGN DEBT

PY221518 Madrid EFE in Spanish 1124 GMT 22 Jul 86

[Text] Cochabamba, 22 Jul (EFE) -- Workers in Cochabamba Department, 403 km southeast of La Paz, were the first ones to start the poll on the foreign debt and the tax reform bill. About 4,000 workers from the main factories who are organized in 42 labor unions filed their direct, secret ballots in 27 voting stations installed in several labor centers.

Mario Argandona, president of the departmental poll council, has reported that the workers arrive at the polling stations peacefully despite police harassment.

"The watch committees remained alert during the poll, willing to repel any actions against the workers right of opinion," Argandona said. He said that the poll is slower in the Cochabamba provinces due to the lack of infrastructure and materials, but it is massively and calmly taking place.

BRIEFS

INCOME TAX DEPARTMENT HEAD -- Finance Minister Juan Cariaga has reported that Income Tax Department Director Antonio Benavidez has resigned and that the Stabilization Council has designated Transport Minister Andres Petricevic as its high-ranking executive delegate to the department. Cariaga explained that the executive delegates are designated to carry out support work at state-run or mixed companies. Petricevic, who was installed on 9 July, will have the specific mission of putting the general income tax department in order. His new responsibilities will not affect his ministerial duties. [Summary] [La Paz La Red Panamericana in Spanish 1130 GMT 10 Jul 86 PY]

AGRARIAN REFORM PLANNERS INVESTIGATED BY SNI

PY220229 Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Jul 86 p 6

[By Brasilia correspondent Josias de Souza]

[Text] The National Intelligence Service [SNI] continues conducting investigations on the ideological background of government officials based on their political connections during the military regime. President Jose Sarney, 56, has received from the SNI a file prepared during the administration of former Special Land Related Issues Minister Nelso Ribeiro which says 13 officials who graduated from the National Insitute of Land Reform and Settlement belong to "Communist factions." The file calls them "left-wing militants who have infiltrated the Ministry for Agrarian Development and Reform." This document, obtained exclusively by FOLHA DE SAO PAULO, includes the names of 41 other people, including 4 federal deputies who helped develop the government agrarian reform plan and who have their "political-ideological" backgrounds listed in the SNI files.

To show President Sarney that his agrarian reform plan is "infiltrated by leftists," the SNI investigated the lives of each of the 87 members of the 16 working groups set up by Nelson Ribeiro to draw up the first national agrarian reform plan. The investigations concluded that 41 of these people, that is 47 percent, "are ideological leftist militants." In its files, the SNI has even classified each subject's status, which varies from "former priest" to "friend of Bishop Helder Camara," and even notes clandestine connections with the Popular Action, the Palmares faction of the Revolutionary Armed Vanguard, and the Movement for the Emancipation of the Proletariat [MEP]. The SNI justifies its investigations, arguing that, given its importance, the agrarian reform cannot be "manipulated."

Four deputies are registered by the SNI as members of the "Agrarian Reform Strategy Group," which drew up the first national agrarian reform plan. They are Miguel Arraes and Osvaldo Lima Filho of the Brazilian Democratic Movement Party of Pernambuco; Fernando Santana of the Brazilian Communist Party [PCB] of Bahia; and Plinio de Arruda Sampaio of the Workers Party [PT] of Sao Paulo.

Classifed as an "MEP militant," Plinio de Arruda Sampaio, 53, denied it: "I demand that this be either proved or corrected. My only political connections are with the PT." He added: "During the National Constituent Assembly, it will be necessary to guarantee the citizens' access to these confidential files in order to correct them."

"With this document, the SNI has once again proven its incompetence," Fernando Santana, 71 said without confirming any information written in his file. "They say that in 1971 I was summoned for a military police questioning, but I can tell you that I have been summoned to three of them, and not in 1971 but in 1964." He added: "I hope these people do a better job."

"I do not believe President Sarney is going to accept this type of activity, which is typical of military regimes," said Deputy Osvaldo Lima Filho, 65. He said he is "surprised that this government continues to investigate the political activities of citizens." The deputy added that the only information in the file with which he agrees is that in 1969 he was stripped of his rank of federal deputy by Instituional Act No 5.

Federal Deputy Miguel Arraes, 70, said through an adviser that he would comment on the document "after I see it published in a daily." Arraes is mentioned having been a "subversive" in 1964 and accused of having received PCB support during his electoral campaigns.

PINOCHET ADDRESSES EIGHTH MAYORS' CONGRESS

PY220206 Santiago Domestic Service in Spanish 1700 GMT 21 Jul 86

[Passages within quotation marks recorded]

[Excerpt] Opening the eighth national congress of mayors of the country today, President Augusto Pinochet stated that what he said in Concepcion does not contradict a single point of the 1980 Constitution. He also denied that he had nominated himself for a new presidential term, as was reported by some opposition leaders.

The president of the republic made this comment during an address to 394 mayors from throughout the country, who are in Santiago for the eighth congress of mayors. The president chaired the opening ceremony and made an important speech, during which he urged mayors with more seniority in office to share their experience with the newer ones.

He told them that the mission entrusted to them by the new institutional order demands effective knowledge of regional politics, as well as everyone's capacity, dynamism and effectiveness. He also urged them to work for the good of the community.

[Pinochet] "The authentic representatives of the community must work unceasingly for the institutional objective the country has established. On this matter there is no room for doubt or hesitation, much less for uncommitted officials. It is up to you to confront those who promote a smear campaign against the government. You must act in order to continue meeting the goals of social and economic progress set by the government."

The president added that this project has acquired more importance to guarantee the stability and strength of the institutional order we have built in compliance with the commitment assumed to Chile.

He said that in 1973 the country began a period in its history of consolidating freedom, and we will do everything demanded by our responsibility to achieve that goal. The chief of state then discussed the government's intentions after 1989.

"I also want to discuss a matter that requires explanation. A few days ago, on greeting a group of volunteer ladies in Concepcion, I referred, among many things, to the extension of the government beyond 1989. What I said on that occasion by no means contradicts a single point of the Constitution because I was referring to ideas provided for by the 1980 Constitution. Namely, I was saying that after an initial 9-year period, the commanders in chief of the Armed Forces, and the director general of the Carabineros, will propose for a new 8-year period a candidate who could be either accepted or rejected by the people. Thus, the Constitution establishes that the people will decide whether this government's work will go on beyond 1989, electing a new government with characteristics similar to the current one for a new presidential period during which the laws that are being prepared will be fully implemented."

The president then referred to those who have asserted that during his remarks in Concepcion he implicitly nominated himself for a new presidential term. He categorically denied any such candidacy, and harshly criticized those politicians who are greedy for power.

"I magnanimously admit that I failed to say that a new 8-year presidential term will be implemented within a full democracy, having taken it for granted that it was understood, because I believe that the people are wise. It seems unnecessary to point out to you that most politicians, with few exceptions, have jumped up and distorted my words. They said that I have launched my presidential candidacy. [applause]

"Gentlemen, anyone who reads what I said in Concepcion will find that there is no such candidacy, especially not now, because many things can happen in the remaining 3 years. During this period we must continue to fight for our country, and thus honor our work.

"I am not announcing any such personal candidacy, especially not to that pack of ambitious politicians who do not conceal their greed for power, using all sorts of tricks, agreements, pacts, etc., as we have seen in the past and continue observing nowadays.

"They have tried by all means to affect us with their opinions and objectives. They have knocked on all doors and have adopted a thousand forms of pressure. One day they are arrogant, and the next they are crawling. They have no principles. Finally, they have openly resorted to religious persons and atheists as well, to national and foreign political demagogues, to rascals and lackies. [applause]

"Gentlemen, I am not fully expressing all my thoughts out of respect and fear of offending this learned audience. But I do want to make it very clear that this government has set a course for itself since the beginning, seeking the absolute and total rejection of totalitarian ideas. We will never accept them, although they are presented in the best possible manner." [applause]

He said that the government will never accept agreements with the opposition for a bitter democratic struggle, as proposed by some groups who call themselves democratic. He added that Chile's single problem is whether to have order or chaos, and that the people will have to decide whether to return to the chaos of 1973 or to have democracy as a way of life under the leadership of a democratic government with authority and with no compromise whatsoever.

We are the first ones to reject the idea of politicking by political parties, we call for a national democracy with no collusion and without selling Chile, we want democracy, he concluded, but a Chilean democracy.

CUADRA DENIES CABINET CRISIS, COMMENTS ON ABRAMS

PY222147 Santiago Domestic Service in Spanish 1700 GMT 22 Jul 86

[Passages within quotation marks recorded]

[Text] Francisco Cuadra, the minister secretary general of the government, has emphatically denied any Cabinet changes. Cuadra was approached by the press regarding current national events. The first question referred to the insistent rumors about a cabinet crisis.

[Cuadra] "They are nothing but rumors. There are sectors which occasionally spread rumors of a political nature as an exercise. I have heard rumors for along time and the only thing [words indistinct]"

Cuadra was also asked about the declaration of the European Parliament about Chile. That parliament stated that some action should be taken against our country. In this regard Cuadra said:

"Parliaments throughout the world, as well as our own Congress until 1973, are accustomed to making all kinds of declarations which are absolutely irrelevant, and many of their members are guided by domestic politics. Therefore, we do not pay any attention to them."

The case of the youths who were set afire was also an issue Cuadra discussed with reporters. Cuadra was asked about the criticism by opposition sectors, which mentioned the possibility of political consequences of this case. The opposition has compared this case with another case involving three communists who were kidnapped and then murdered just over 1 year ago.

"It is only natural for them to make a political issue of a case that is being investigated in the court. A basic study of the two cases will lead us to radically different conclusions. Therefore, I believe that the opposition is not making a calm and objective assessment, but rather a premature evaluation based on its political position. We should wait for the process to develop in accordance with the law. This is the government's position and it is what really matterrs to the community."

Regarding the document released by bishops about the causes of violence, Cuadra said that it is currently under study. In refernce to the comment by Elliot Abrams, U.S. assistant secretary of state for inter-American affairs, regarding the unity of the Armed Forces, Cuadra said that U.S. spokesman talks too much about too many things and that he does not know the real Chilean situation. Cuadra was asked again about the alleged involvement of Army soldiers in the case of the youths who were set on fire.

"I would prefer to wait for the court decision on this issue. I believe that some opposition sectors acted with great irresponsibility by making charges without knowing all the facts and before the judge made his final decision or the other courts had a chance to hear the case. Only after the courts decide what really happened can charges be made. Whatever is said before that can be considered opinion, based exclusively on political viewpoint."

In conclusion, Cuadra said that the Army first denied any involvement of Army soldiers in that event because the investigation conducted at that time did not indicate any involvement, but that as the investigation continued the Army decided to put at the disposal of the court a group of soldiers who reportedly participated in that incident.

FOREIGN MINISTER DENIES POSSIBLE RETURN OF EXILES

PY230250 Santiago Radio Chilena in Spanish 2300 GMT 22 Jul 86

[Excerpt] Foreign Minister Jaime del Valle has stated that nothing has changed regarding exiles, and that no special list should be expected because neither the Interior Ministry nor any other authority has released any report on this issue. The foreign minister was referring to remarks made by the Chilean ambassador to Colombia, (Alvaro Salvadores), who spoke about a softening of government policy in this respect. Moreover, the Foreign Ministry has presented new records to the UN special observer on the latest events in the country. Reporter Jose Francisco Contreras has further details on this. Good evening Jose Francisco.

[Begin Contreras relay] Good evening. Foreign Minister Jaime de Valle had to explain remarks made yesterday by the new Chilean ambassador to Colombia, (Alvaro Salvadores), who reported on a new evaluation of the issue of the exiles and a softening of the policy in this regard to facilitate the diplomatic work of ambassadors.

Del Valle stated that the Interior Ministry is continuously evaluating this situation which he said has allowed the periodic return of exiles to the country.

Asked whether a list of exiles who might be allowed to return to the country will be released in the near future, the foreign minister stated:

[Begin Del Valle recording] No. I think we have to think about the normal results of the evaluation made by the Interior Ministry. There is no reason to think about a special list. There was no mention of this matter, either by the Interior Ministry or by any other authority. [end recording] [passage omitted] [end relay]

FPMR VOWS NOT TO HINDER PEACE EFFORTS

PY221501 Madrid EFE in Spanish 0428 GMT 22 Jul 86

[Text] Santiago, 21 Jul (EFE) -- The Manuel Rodriguez Patriotic Front (FPMR), an armed Marxist organization, has announced that "it will never hinder the pacification of Chile." In a letter addressed to the 14 National Civic Assembly leaders who have been jailed at the Capuchinos Prison in Santiago for over a week, the FPMR discussed violence and the pacification of Chile. The FPMR said that "our answer to the persistent repression and to Captain General Pinochet's attempts to perpetuate himself in power will not be a passive one."

The FPMR, named after Chilean War of Independence hero Manuel Rodriguez of the 19th century, said in its letter that only through "mobilization, stoppages, and civil disobedience" will it be possible to make progress in the fight to end the military regime. The FPMR added that it is also necessary to promote "the people's self-defense" by means of "barricades, trenches, and rudimentary homemade weapons" to counter repression during the demonstrations.

POLICE REPRESS VALDIVIA UNIVERSITY STUDENTS

PY230155 Santiago Radio Chilena in Spanish 2300 GMT 22 Jul 86

[Relay by Radio (Lose Torreones), FM, of Valdivia, in network with Radio Chilena]

[Text] Shortly after noon today students from Southern University who were marching peacefully to the main plaza to display a sign, were violently repressed by police forces. Other confrontations between students and the forces of order have not been as violent as the one this afternoon. So far, the Human Rights Committee, which is part of the Valdivia Archbishopric, has released a list of 24 perons who were detained, including the leaders of the Southern University Medicine School student center.

During the repressive action, agromony student Eduardo Ramirez was wounded in the head. He was taken by ambulance to a hospital. Most of the people who were watching the events near the plaza have reacted firmly to the violence against the students.

PRESIDENT BETANCUR ADDRESSES SENATE 20 JULY

PA220211 Bogota Television Service in Spanish 2247 GMT 20 Jul 86

[Speech by President Belisario Betancur Cuartas to the Senate in Bogota -- live]

[Excerpts] Mr President, ministers, [word indistinct], honorable senators: These pages are traditionally intended to be a report to Congress on the executive branch's activities and plans. Also, as other illustrious Colombians who have held the Presidency have done, they record events that he nation has participated in or witnessed. This is why I want to present to the honorable congressmen some of my reflections, which they will put on their desks within a few moments. These are reflections on two facts which for very valid reasons are milestones in the national history.

Chronologically, the most recent I want to refer to is the pastoral visit of His Holiness John Paul II to Colombia. [passage omitted]

I must reaffirm that his holiness' evangelical tour had only two leading actors: John Paul II himself on one hand, and the Colombians, made equal by the mystery of faith, made brothers especially in their hopes, on the other. In his presence we find support our beliefs and important values, but his ministry also relates to the most difficult and painful part of our fellow patriots' daily reality. His reiterated called for justice, an economic and social justice, the absence of which vilifies and contaminates the existence of so many millions of Colombians, was directed to everyone, in the first place to those of us who have directly participated in the management of public affairs.

The seriousness and fervor with which John Paul II has sought a much-yearned-for peace shook the very foundation of national feeling; the feelings of all of us who have suffered and been so deeply wounded that we found in the pontiff's words balm and restoration of our hopes. Tens of thousand of youths were listening when his holiness spoke. He told them not to be tempted to participate in violence; and when the pope prayed for a new era of social justice, equality, and love, the wise and generous pilgrim was fully identifying with the hopes and troubles of 28 million Colombians, with the troubles and hopes of the honorable parlamentarians, with all Colombian people who were alert to his statements and the stages of his tour of our fatherland.

On this occasion, honrable senators, I could not overlook the important occasion of the papal visit, because among other reasons, he did not hesitate to kindly [word indistinct] himself, because he controls his authority, and he also controls his ministry's conditions and the realities that directly affect the course of our public life and our public life and our collective nationality's future.

Meanwhile, the tragic events of 6 and 7 November 1985, generated by a terrorist action against the Palace of Justice, resulted in the almost total destruction of the palace, the deaths of the illustrious justice of the honorable Supreme Court, of assistant justices and other court and State Council officers, and civilian and military personnel. The terrorists and guerrillas have created controversies regarding the government's actions and responsibility, regarding our decisions and omissions. The dimension of the tragedy will project its lights and shadows for many years, and it will be a point of reference in the historical analysis of this administration.

For the president, this was the most difficult test of his mandate, and one of his greatest tribulations.

Illustrious servers of justice were sacrificed in the holocaust, men of peace and justice devoted to investigations, forums, academies, and the laws. Their friends, their fellow teachers, even their fellow politicians, and many of our deepest personal and political convictions faced a crisis, and we had to make extreme efforts to remain calm, confronting the convictions of our hearts and feelings with the unavoidable duties of the state and the law. The latter prevailed, just as they should prevail every time government leaders are faced with similar dilemmas.

The debate about the holocaust has taken place in all sectors -- political, legal, and personal -- with absolute freedom and without any evasion. As has been traditional in all its actions, the government permitted the public and the investigators to have access to all the elements of analysis and information to scrutinize our conduct and to achieve the utmost clarification of the actions and their consequences.

We have reiterated that the outcome of this absurd drama was at no time what we wanted. Whenever terrorism attacks, the solutions that countries can resort to almost always have effects that no ne desires, that one seeks from the standpoint of legimacy, security, and democracy. The greatest atrocity of terrorism is that there are no bounds to its aggressiveness, and its disregards even the most basic rules of the game that limit the inhuman excesses latent in all conflicts. Terrorism excludes all negotiation, all agreement, and all political solution. Those who believe that this modern madness, which attacks wherever it wants in the world, can act even slightly in accordance with the traditional patterns of political activity are mistaken. It main objective is no longer the destruction of a system that it considers unjust, but destruction for destruction's sake. Its path is the path of death, and its ideology belongs to the confused and distrubed world of madness. [passage omitted]

Efforts have been made to portray the action in the Justice Palace as one more episode of the guerrilla violence which through every means and strategy we have sought to resolve to establish peace in Colombia and to find a political solution, aware that the merely military solutions do not resolve the problems. It was absolutely not such an episode. From the very moment of the occupation of the palace, the terrorist group took it over by sword and fire, killing with unnecessary brutality the humble private guards and proceeding to violently kidnap the people in the building.

The initial action exceeded the bounds of what could have been a political action and instead became a venture of death. The demands of the command, which could not even be heard because of the blackmail that they entailed, were delirious and exhorbitant: a trial of the president of the Republic; to force the Supreme Court to make decisions, issue views, and hold sessionsd in circumstances completely foreign to the natural environment that is necessary for the thoughtful task of the legal expert; to force the executive branch to set aside all the conditions for the exercise of its mandate to undertake, in such absurd terms, the examination of its peace policy, among other demands.

But beyond the frenzied demands, the anarchist group's objective was aimed at the vital centers of our legal and institutional order. They wanted to show Colombia and the world that the jurisdiction of the government and the executive branch had been hurt by the terrorist threat.

How could the Republic have survived as a democratic nation, ruled by the Constitution and the laws, if the president and the entire government, had yielded to terrorist blackmail, even for a powerful reason? How can we talk of negotiations when one of the negotiating sides is acting under the deadly threat of submachine gun, a bomb, or a rifle?

Was the president insensitive to the distressing appeal of the victims for a dialogue and negotiations?

An examination of our resonsibility, which we fully and personally assumed, has proven that we did not overlook any possibility of dialogue and persuasion, seeking the intervention of influential persons accepted by the terrorists. We resorted to the advice of personalities who at the time were not involved in this horrible drama. We offered alternatives for an evacuation, guaranteeing the lives and a civil trial to the members of the terrorist command.

We tried to talk, we took the greatest precautions in the rescue operations to save as many lives as possible. We cannot understand the unfairness of those who say that we acted implacably like Cato, and that we were insensitive to human anguish and grief. The entire nation and the news media harassed the government. It is true that they did so in the context of grief and tribulation caused by the loved ones that were killed, those who in those terrible days met with an absurd, unfair, incomprehensible end. However, the country understood the supreme reasons for our actions, to protect the citizens against greater misfortunes and an inevitable disaster had the terrorist plan triumphed. Colombia has raised to the altar of democracy the memory of those who were sacrificed and has decried their final absence. In the turbulent time that we have lived in, life -- as the right of all -- has a basic metaphysical component, the continuity of democratic ideals, their collective defense, the safeguard of the institutions, the prevalence of a social and legal order above any other ideological or political argument. [passage omitted]

The special tribunal to investigate the holocaust -- the magistrates of which jurist Carlos Supegui Zapata and Jaime Serrano Rueda were designated freely by the honorable Supreme Court of Justice -- has reported, in conscience and law, the correctness of our actions. The commission of accusations of the honorable Chamber of Representatives has unanimously made a pronouncement in this direction.

As we have said on several occasions, all members of the government -- with the president leading them -- will respect and abide by the decisions adopted by the appropriate authorities concerning these sorrowful events, and more so if these decisions do not favor us. Honorable Senators: Above and beyond his personal faith and what lies ahead for him, the president and his associates are certain he acted in defense of the fatherland, of the institutions entrusted to him, of general well-being, and in the fulfillment of the obligations we promised to respect before God and the people who elected him. [passage omitted]

At the beginning of 1986, the Colombian economy faced a radical change regarding this external situation. With achievements in the program to reorganize economy, the progress of mining projects, and the increase of international coffee prices, the country could again anticipate a considerable accumulation of international reserves. The fact that this sudden improvement in the exchange situation occurred with the highest exchange rate in the history of the current exchange system, with the fiscal deficit considerably reduced, and with important advances in the reorganization of the financial system, allowed us to enter a new stage with broad leeway to maneuver in the handling of a macroeconomic policy. The new panorama of the external sector with external credit resources, since the doubts about the county's paying ability were dispelled.

Nevertheless, the greater revenue collection at all levels could not be abandoned just because the financing difficulties of the deficit had been reduced. We pointed out that a part of the fiscal revenues of the external sector are temporary in nature. This implies that the other revenue sources should not be neglected, let alone could we permit the generation of a movement toward excessive public expenditures.

To defend the wage earners' purchasing power, consolidate economic adjustments, and strengthen the exchange position of the country, a figure close to 22 percent was adopted as the inflation target for the current year.

For this goal, we took as foundatios the stimulus for the staples supply and the monetary stability. At the beginning of the second semester, this objective is positively being attained.

To reactivate production during a period of financial crisis and serious external and fiscal imbalance, a braod package of economic measures was designed to reorient demand for the nation's products and support activities to interrelate with other branches of production that would encourage economic activity and the strengthen real liquidity. [passage omitted]

One of the government's permanent objectives is to maintain stable prices. In this respect we have tried to control inflationary trends by using automatic mechanisms. We have maintained a careful monetary policy, and we have tried to match the supply of goods to estimated needs, particularly with the articles that most affect the people such as food and housing.

From August 1982 to May 1986, the average annual increase in prices to the consumers was 19.9 perdent, approximately 6 points below the 25.7 percent registered during the 4 previous years. [passage omitted]

Honorable Senators, 4 years ago, in this illustrious capital, sacred ground of democracy, I swore to be faithful to our instituions and to defend the nation. Since then, I have devoted myself totally to government activities. I have carried out a large part of what I intended to do: to make deep decentralizing changes, with the elections of mayors and make more equal the distribution of incomes. All this I accomplished with the excellent support of the Senate.

I also maintained a just political balance, sought peace, and tried to broaden and improve our democracy; to reactivate and make more independent our relations with the world; to provide hearlth care for the people and protect children from diseases; to maintain social harmony; to create proper conditions for investment and employment; to create proper conditions for investment and employment; to reorganize the economy and financial sector; to promote a massive housing plan; to lower illiteracy; to encourage fine arts and literature; to bring the university closer to the student; and to strengthen the country along the border and in the souls of my fellow citizens. [passage omitted]

Expectations exceed poossibilities, therefore aspirations remain unfinished, which are always incentives to progress.

I am returning to the common and glorious life of a citizen, without resentment or bitterness, grateful that democracy took me from a rural area to allow me to serve the country with the passionate fervor of my beloved province, with the confidence of having governed Colombia without any ill will, with tenacity, faith, hope, and with a clear heart and mind.

I feel grateful to my compatriots of all political parties, of all social levels, who have generously given me opportunities and honors. I have no scars, rancor, nor wounds from any of my fellow citizens. I hope they forgive me for any wrong I have done; I swear it was not my intention. [passage omitted]

MINISTER ON AMNESTY INTERNATIONAL REPORT

PA221846 Bogota Television Service in Spanish 0100 GMT 21 Jul 86

[Text] Government Minister Jaime Castro today said that regardless of the inexactitude of the report, the controversy about the Amnesty International report has made evident the crisis of administration of justice in Colombia. At the same time, he urged all sectors to propose solutions to that crisis.

NEW ELN GUERRILLA ATTACK ON OIL PIPELINE

PA221755 Bogota Television Service in Spanish 1730 GMT 22 Jul 86

[Text] A new attack by the Army of National Liberation, ELN, led to the explosion of the Banadia Station, near Saravena, in Arauca Intendence. There was no fire, but the station's four pumping units were blown up, which will considerably reduce the oil production in Cano Limon and might even lead to a suspension of production if the evaluation made of the damages determines this.

Crude oil production was suspended last week for 4 days due to another ELN attack, which caused damages in two places in the Cano Limon-Covenas pipeline. The Banadia Station makes it possible to transport 200,000 barrels of oil per day. A tank containing 20,000 barrels of oil was also affected.

It has also been learned that none of the employees of Ecopetrol [Colombian Petroleum Enterprise] or of the associated multinationals have been kidnapped.

ELN REPORTEDLY ABDUCTS 4 OIL FIRM EMPLOYEES

PA221810 Madrid EFE in Spanish 1231 GMT 22 Jul 86

[Excerpts] Arauca, Colombia, 22 Jul (EFE) -- A total of 17 Army of National Liberation (ELN) guerrillas today dynamited the Cano Limon oil pipeline in Arauca intendency, using several explosive charges. They also kidnapped four employees of a German firm.

According to the Defense Ministry, the members of the pro-Castro group set off several explosive devices near Saravena (Arauca), 500 km northeast of Bogota, and after stealing some communications equipment they fled, taking with them four employees of Mannesmann, the FRG firm that constructed the pipeline. [passage omitted]

The Army has launched a large-scale operation in pursuit of the rebels to determine the whereabouts of the four abducted employees who, according to official sources, may be released once the guerrillas leave the area.

The Defense Ministry has not revealed the hostages' identity or nationality.

POLICE OFFICERS SERVING AS ADVISERS IN BOLIVIA

PA211853 Bogota Cadena Radial Super in Spanish 1730 GMT 19 Jul 86

[Excerpt] Bogota -- Military sources reported today that three high-ranking national police officers are acting as advisers in the antidrug-trafficking campaign U.S. authorities have set in motion in Bolivia. The campaign is aimed at eradicating coca plantations and laboratories that produce one-third of the cocaine consumed in the world. [passage omitted]

2 ELN GUERRILLA UNITS JOIN PEACE PROCESS

PA210332 Bogota Television Service in Spanish 0135 GMT 21 Jul 86

[Text] Two detachments of the National Liberation Army, ELN, which are active on the Atlantic coast, officially joined the peace process today,, when they turned in to the president of the Peace Commission a letter formalizing the move.

[Begin Peace Commission President John Agudelo Rios recording] The adherence to the peace process by these two ELN detachments gives peace a very positive outlook. I truly believe that the dialogue will make possible the definitive restoration of tranquillity and peace in Colombia. [end recording]

UP TO WORK WITH PARTIES, ANNOUNCES BILLS

PA221847 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 21 Jul 86

[Text] The Patriotic Union [UP] has announced its decision to work jointly with the Liberal Party, the Conservative Party, and New Liberalism to promote political, institutional, social, and economic reforms, and it promised to struggle for new developments in the peace policy through the agreements signed by the government and the FARC.

The Patriotic Union will present the draft of a constitutional amendment to end bipartisanship as a form of government, an agrarian reform bill, and a bill placing limits on the state of siege so that it will be temporary and not for an indefinite period.

LA HORA INTERVIEWS COMMUNIST PARTY'S ARISMENDI

PY181958 Montevideo LA HORA in Spanish 6 Jul 86 pp 6, 7

["Exclusive" interview with Communist Party Secretary General Rodney Arismendi by an unidentified LA HORA reporter; date and place not given]

[Excerpt] [Reporter] You have been out of the country for several months. What were the reasons for this relatively lengthy absence from Uruguay?

[Arismendi] As everyone knows, I went on a mission that my party entrusted to me: I attended the congress of the Cuban Communist Party, and I responded to an invitation of the FSLN and the Nicaraguan Government to a conference of political parties in Managua to answer the U.S. threats. I also participated in the 27th CPSU Congress. This mission was in keeping with the general framework of our party's relations with the parties that have staged the main revolutions in history and comes in the wake of our party's participation in the congresses of Czechoslovaka GDR, Bulgarian, Yugoslavian, and Polish Communist Parties. This is all part of the overall framework constituting our patriotism, our inalienable dedication to the defense of our national independence and sovereignty, our quest for solutions to the problems facing our people, and our friendly internationalist relations with all the peoples of the world who succeed in their quest for democracy or have participated in the greatest historical change spanning four continents -- which is the victory of socialism.

Unfortunately, after participating in these events I had to be hospitalized in the USSR longer than I would have liked, to resume an old treatment which was discontinued despite the doctors' warnings. The treatment was stopped because our party decided to send me to Argentina to seek reapprochment and to participate directly in the underground struggle that our party, the popular forces, and the labor movement were waging against the dictatorship.

The period of hospitalization lasted longer than we would have liked, and this extended my stay outside Uruguay.

During this period I kept up a steady flow of correspondence with Jaime Perez [a leader of the Uruguayan Communist Party] and with the comrades of the Communist Party Executive and Central Committees.

We could say that I directly participated through my letters, opinions, and papers in the activities of the party during the time I had to be absent for party and healthy reasons.

[Reporter] Sometimes, looking from the outside and from a different viewpoint, it is easier to see the changes in the political situation. How did you see Uruguay when you returned, what changes did you see?

[Aruismendi] Arriving in Uruguay, I confirmed the opinions that the Communist Party National Conference had expressed regarding a certain period of time. These opinions are set forth in the preparatory document and in the general report that I read on behalf of the Party leadership and in the resolution. They were also stated during the debate.

[Reporter] One of the most interesting issues as far as public opinion and political circles are concerned is the drawing up of a project for the country. The Colorado Party has launched a drive for modernization and has charged the left with having no current option. Is there a leftist and communist overall national project for a future Uruguay?

[Arismendi] This morning I was asked something quite similar. I answered that we have had a project for quite some time now, a project that was worked on at length by the 1983 Central Committee made up of communists in exile and underground. That committee insisted that the dictatorship could only be toppled by a united people. We advocated full support for the ideas on national dignity that later became known as General Seregni's National Agreement. We called for mobilization at that stage in order to overthrow the dictatorship. However, we also discussed the guidelines for the situation that would follow the dictatorship and the coup d'etat.

In keeping with this, in the papers we later issued and in the speech in front of the City Hall, as well as the debates at the National Conference of the Communist Party, we gave careful consideration to national issues that had bearing on two related tasks that were exceeding well known: the consolidatiion of democracy -- this cry of "Dictatorship never again" that has become the slogan of the patriotic masses and which demands a high level of understanding and dialogue among all Uruguayans who favor democracy -- and dealing with the problems posed by the dramatic economic, social, and political situation of the country that we inherited from the dictatorship.

It was obvious before and from the brutual truth later that the dictatorship -- a fascist tool created through direct action of the United States in the southern cone -- not only brought crimes, torture, and the trampling of political parties, but also forsook national traditions and reorganized the Uruguay state along fascist lines. Not only did the Armed Forces become a kind of occupation force in the country acting against Uruguay as a whole, but they also implemented a systematic economic policy.

The purpose of this project is to turn Uruguay into a stronghold of foreign capital, to adjust it to the requirements of the IMF, of imperialism, and of the multinational enterprises. But its consequences were a national disaster, the most fantastic shady deals in the country's history, and the flight of capital. It also caused a drop in the Uruguayan people's standard of living, the destruction of all laws that have to do with the welfare of society, and a very serious crisis in all production sectors.

Therefore, an economic plan is necessary to consolidate democracy. Unfortunately, the government of the republic, joepardizing all agreement efforts, has once again gradually engaged in a policy that in certain aspects repeats the economy guidelines set by the policy of Vegh Villages [former economy minister during the military regime], by the military commanders, by the multinational corporations, by the IMF, etc. It is based on an ill-fated and completely utopian idea of making the country rely on foreign debt for its development, and trying to turn it into a stronghold for exports for combining the idea of Uruguay, a financial market, with Uruguay, a stronghold for mixed or private export firms. This presumably, with determined modern technology, would adapt Uruguay to the international work pattern designed by imperialism: a neocolonialist dependency system.

Any polemic regarding modernization merely repeats formulas of neoliberal experts who, to a certain degree, are followers of the Friedman school. When these exports talk about modernization as a way to overcome dependency, they do not actually advocate modernization or the renegotiation of the foreign debt to invest foreign trade surpluses for the development of national economies.

What they suggest is that we should seek better adjustment to dependency. Referring to the labor unions, they talk about having "eyes in the back of their head" because they do not accept being simply a component of this project.

This project, which was also brandished in Brazil an Argentina, is based on the theory that Uruguay's modernization will be achieved through privatization, adjustment to the foreign debt problem, and attraction of multinational companies by offering advantageous conditions that will allegedly allow their technological development. Uruguay needs to modernize itself. I am not the sort of person to oppose the need for an effective export policy for the country or the need to develop and technically improve the export sectors. Quite the contrary, it would be absurd to oppose this from the economic point of view.

The only consequences of this alleged modernization will be a higher unemployment rate. This will happen even with Dr Jorge Batlle's illusory and imaginative proposal to robotize at school. Some countries are doing this. Yet it is utopian to believe something can be achieved by giving the most sophisticated technology to our export industry -- technology that will be introducted hy multinationals -- by promoting privatizations, by restricting the role of the state, and by turning the large state-run comapnies into mixed enterprises. Not only is this a utopian idea but it is also a concept that can lead to the destruction of our country and of the work of great statesmen like Mr Batlle y Ordonez and others.

Therefore, this approach -- which also abides by the key elements of the Baker Plan and its requirements that state companies should be turned over to private hands -- will worsen unemployment in Uruguay and will prompt, as it is already doing, a rise of inflation and prices that will outdistance wages, salaries, and pensions. This means that there will not be a true recovery of national consumption.

This alleged modernization approach is naturally leading to a polarization of forces. I would like to congratulate the unions, the PIT-CNT [Interunion Workers Plenun-National Convention Workers] for their maturity. Without merely adopting a negative attitude of blanket rejection they are proposing the need to unite the workers, the producers, the middle class, and the political parties around a program capable of ensuring that there will be no more dictatorships and that solutions will be forthcoming. They are doing this with the same patriotism they displayed in their struggle against the dictatorship and the fascists at the cost of hundreds of people tortured and killed.

[Reporter] The advocates of this modernization policy are saying on one hand that the unions, the popular movemnet, and the left have obsolete ideas and on the other hand they react to criticism by saying that they are the majority, that they won the elections, and that now their approach must be accepted. What is your opinion?

[Arismendi] First of all it is not true that they won the elections throughout the country. Would the government dare hold a plebiscite on salary hikes, pension hikes, status of employment, assistance to the farmers, measures that have to do with loans, or the policy toward the IMF? In the second place these proposals for modernization are based on a very old formula. This formula calls for the adjustment of underdeveloped countries to the international division of labor, to the internationalization of production, and to the presence of multinational companies on their soil.

The only thing they do is talk about the achievements of the scientific and technological revolution, as if a scientific and technological revolution could occur in Uruguay without changes in its productive system, without an independent economic policy and without improvements in the standard of living of the people.

No, it is just a formula to cover up, as Ruben Dario said, a much more "municipal and heavy" formula such as the privatization or transformation into mixed corporations of state enterprises as a way of furthering dependency, of the creation of an enclave linked to the financial capital and monopolistic export sectors with some privileged enterprises that may bring more or less modern technology. The country then would retain its backwardness, large landowners, economic dependency, misery, the destruction of the productive apparatus, and poor education and public health. In other words, a country with unemployment where there are only 3 million people in a territory that is large enough for 11 million.

There are two projects: the project of dependency and backwardness and the project of change and reforms, which is the project we support, along with the struggle of the people. We also support the Broad Front because it can offer a better choice.

During the party's national conference we stated that, through the struggle for advanced democracy, economic and social changes, and the affirmation of freedom, we must create conditions for a new choice of power in which the Broad Front would become something like a meeting point for people of different groups (National and Colorado Parties, workers, middle-class citizens, intellectuals, students, farmers, industrialists, and businessmen) who are suffering from the current situation and who want to introduce changes in the country.

During the national conference we certainly referred to the great role played by the PCU which, being a party of the working class, has an established program and an orientation, and by representatives of all social levels, patriots in general. These men have made a great contribution to the progress of the Broad Front advocating unity and dialogue among Uruguayans during election campaigns, disregarding ideologies, and doing away with insults, lies, and psyschological warfare. The priority programs are: The reconstruction of the country, the development of its independence, and the reaffirmation of freedom. Unity plays a great role in this program. This is a very broad program for unity around the Broad Front and the workers and popular forces.

The country demands the unity of all the leftist and labor forces to find solution to the great problems. Unity is needed to call for a people's congress and to solve the salary problems of people who know that unity is the basis for solving all the problems. The day after an announcement was made that some groups had withdrawn from the latest Congress held by the PIT-CNT [Interunion Workers Plenum-National Convention of Workers] and I say this without any desire to reopen a controversy, the initiative for regulating unions was passed immediately.

Now that this initiative is again proposed, there is more of a need than ever for unity. Unity is needed in thlabor movement, in the CNT, in the student and intellectual movements. We must reach agricultural workers to try to improve conditions that were discussed during two great mobilizations. These issues are dialogue, how to solve problems, and how to reject dictatorship. We must do this in the presence of agricultural producers in different parts of the country, and at different PIT-CNT meetings. We must call for unity and understanding.

Undoubtedly in the last few months, as a result of the workers' protest over economic policies, the relations between the government and the unions have been conflictual. The worst moments were during the repeated threats to regulate unions and the government's declaration of several services as essential. This situation also created a great deal of conflict among political parties. How can we get out of this situation? How can we move ahead to fulfill the necessary common tasks of the political parties to strengthen democracy?

The first thing we must take into account is the high degree of maturity and responsibility of the labor and popular movement. This is not the first time that the president of the nation and the various organizations of his party (not to mention the openly antilabor and reactionary newspaper EL DIA) have attacked the labor movement. I recall that at one time they severed the dialogue and gave rise to a critical situation. What was the labor unions' reaction? They staged demonstraions for unity, urging all parties -- the ruling party included -- to demonstrate support for a specific proposal that no leader, not even the president of the nation, would dare publicly oppose after evaluating it. Furthermore, a good portion of this proposal has drawn inspiration from the Conapro [National Consensus Commission].

In the second place, every time the government finds itself in a tight spot because it must change its economic policy and adjust it even more to the IMF requirements, it makes the mistake of attacking the labor movements.

But a national awareness should be awakened regarding these problems, as well as regarding human rights and some episodes we have been experiencing. If you see how closely these problems are related to each other, you will realize that every time the government takes a step toward the right, every time it adjusts to the requirements of the IMF, the Baker Plan, the businessmen, and the foreign debt, and reasserts a policy that foces the workers to pay for the crisis, the measures are accompanied by an attack kn the labor unions, and the appearance of more rightist sectors, as well as sectors identified with the dictatorship. These groups immediately demand the implemenation of repressive measures against ther labor unions. We thus see how supporters of Pacheco Areco, who are now criticizing Asiain and other leaders because they adopted an attitude contrary to that of Mr. Pacheco, become stronger.

Problems appear, like the recent document attributed to the Armed Forces intelligence service, which is the subject of much discussion by the people. In addition to ordering the surveillance of labor unions and sectors of the church, the Uruguayan Communist Party, and the leftist sectors, this document justifies this decision noting that these sectors were the ones persecuted under the dictatorship. As a consequence, this document acknowledges the Armed Forces' actions. This cannot be separated from the intention of granting amnesty to those guilty of deaths and tortures. We have repeatedly stated that we do not seek revenge because we are responsible politictians, who want truth and justice, as the popular slogan reads. But it is obvious tha not taking these issues into account, and proclaiming an alleged amnesty will only prompt the raising of those adversarial sectors of democracy and contribute to uniting the most regressive and most compromised sectors that exist under the dictatorship, an act which represents a true outrage.

We do not consider as useful for the country or for the well-being of the people the common antimilitary feeling or the overall belief that everything linked to the military sector is the enemy of the people.

But those who push the people to believe that the Armed Forces are engaged in crimes are those who, with their hands stained with blood, or tainted by shady deals or torture, seek to make believe that justice means insulting every military officer, saying every soldier was engaged in those crimes.

This document also gives the impression of having appeared as part of a maneuver designed by the intelligence service itself. I think that this document is linked to an attempt by some of those most closely linked to torture and by persons stronglay compromised by torture to make themselves heard at the famous Military Club banquet tht just "by chance" had U.S. imperialism's notorious press agency, UPI, as its mouthpiece.

The government must respond with adequate measures. We are faced with a political maneuver designed to create a superpower, which will surpass the state and the Constitution itself. Moreover, and I have stated this before, it is obvious that the full text of the document has not been disclosed because among the intelligence objectives is that of keeping watch, through the traditional parties, over the government.

The plan of Senator Rodriguez Camusso and the Advanced Democracy Party to interpellao Defense Minister Vicente Chiarino on the subject is a very good one because this wil nt only allow the government to clarify declarations, to assert the defense for democracy, and repudiate the most outstanding and compromised agents of the dictatorship, but it will also allow the government to do away with the people's fears, unrest, and concerns which in any case are a means of destabilizing democracy. These means have a political purpose and could become psychological warfare.

[Reporter] What relation is there between all this and the provocation against Senator Araujo?

[Arismendi] It is part of the same operation that started with the bomb that exploded at 20 [Uruguayan Communist Party's], the statements at the Officers' Club, the articles in EL SOLDADO magazine, or this banquet especially prepared for UPI to disseminate to the world and at the same time "legalize" the statements of a group of persons seeking to drag the Armed Forces into a phase of plotting against democracy. The episode against Araujo is insane. Who in this country is not aware of Araujo's struggle against the dictatorship?

The plot against Araujo undubtedly is an act of revenge, but it is also a way to divide the opposition, to turn the traditional parties into tools of the intelligence service of the people most related to the worst aspects of the dictatorship's intelligence service. But Araujo came out ahead, since, essentially, his letter is no different from so many lawyers' letters on behalf of the prisoner's release. [passage omitted]

REACTION TO PRESIDENT'S ECONOMIC MEASURES

Finance Minister Azpurua

PA221712 Caracas Television Service in Spanish 0000 GMT 19 Jul 86

[Excerpts] We have already seen the initial reactions to the economic measures issued by the Venezuelan president. Finance Minister Manuel Azpurua explained the scope and effects of those measures during a special program this morning in which he was interviewed by our reporter, Carlos Fernandez. A summary of this interview answers some of the questions inherent in the view expressed to date about the economic measures.

[Begin recording] [Fernandez] The first question must deal with the controversy that has arisen in the Venezuelan private sector regarding the measure to change the exchange rate from 4.30 bolivares to 7.50 bolivares for the payment of the private sector's foreign debt. Can you tell us the reasons why the executive branch made this decision, and can you tell us what might be the first response of the government sector in view of this reaction by the businessmen?

[Azpurua] Thank you for the question. As the president announced last night, he decided to eliminate the 4.30-bolivar exchange rate for the payment of the private sector's debt because of the country's current circumstances. When the 4.30-bolivar exchange rate for the payment of the private sector's foreign debt was established, the country's situation was very different. The average export price of our petroleum was $26 a barrel. Today, the price is a little under $15 a barrel. This means a very sharp drop in our foreign exchange and fiscal revenues. The loss in foreign exchnage revenues amounts to approximately $5 billion. We have a fiscal deficit of approximately 25 billion bolivares. In view of the country's reality, the maintenance of such a subsidy was not justified. The government had different options, and after analyzing them for several months and consulting and listening to many opinions -- it is important that everyone know that we listened to many people and to the most qualified economists of the country -- the government chose the option that it believed was the most advisable and the one that would cause the least effects and harm to the greatest number of Venezuelans. [passage omitted]

[Fernandez] How much is the private sector's foreign debt with this change from the 4.30-bolivar exchange rate to the 7.50-bolivar exchange rate?

[Azpurua] Of course, there is a higher figure now because of the addition of 3.20 bolivares. However, it is also true that the conditions of the private sectors at this time are different from those that existed in 1984 when President Lusinchi took office. Why? Because the government in the past 2 and 1/2 years has made efforts to achieve an economic recovery and to strengthen the country's productive sector. The agricultural sector is an example of this. [passage omitted]

[Fernandez] Your estimates about 1987 regarding petroleum are more or less the same as those for 1986. Does this mean that the outlook for the international petroleum market will continue to be uncertain for a long time?

[Azpurua] Yes, we have to make estimates based on reality. It is to be expected that the petroleum market and prices will gradually stabilize and rise, but in any case our estimates for next year are based on an average export price of $15 a barrel and an export of 1.589 million barrels [a day], as we stated in the estimates that we presented to Congress. Those are the estimates. It is difficult to make predictions.

[Fernandez] Will the budget that you will present to Congress have to be redrafted again?

[Azpurua] Well, the budget is presented to Congress within the first 10 days of October as the law establishes. Now then, what will be changed is the way to cover that deficit that existed and that we pointed out to Congress. There were several alternatives. One could have been a devaluation that would affect the entire population. It would have meant a new cost for all sectors and especially the lower income sectors and the workers. This would have meant a decrease in the real income of the workers and the majority of the population. Another option was indebtedness, but we believe it would be unjust and would mean making all the population pay for that indebtedness. Therefore, we took the path of eliminating the 4.30 bolivar-exchange rate, and the resources that were held for the purpose of maintaining that subsidy will now be used to cover that budget deficit in the coming year. [passage omitted] [end recording]

Party Leaders

PA221330 Caracas Television Service in Spanish 0000 GMT 19 Jul 86

[Text] Juan Antonio Martinez, leader of the parliamentary faction People's Electoral Movement, MEP, feels the social measures that the government announced yesterday are nothing new because such measures were not up to expectations. He added that more detailed explanations are required regarding the sale of assets of nonessential enterprises, and he regarded the exchange rate of 7.50 bolivars to the dollar as positive, but untimely.

[Begin Martinez recording] The Venezuelan state and society cannot go on subsidizing a fictitious exchange rate of 4.30 bolivars to the dollar. It does not exist. Still, the 7.50 exchange rate is being subsidized. However, it is a lesser load on the national revenues and our debt. The country must clairfy its economic situation. [end recording]

These criticisms were echoed by Gonzalo Barrios, president of the Democratic Action Party, who said that these regulations take time to apply and that politicians should not hasten to make irresponsible remarks.

He also said that the money that will be saved with an exchange rate of 7.50 does not constitute a surplus to be used whimsically, and that with this measure there is no turning back, even if enterprises are affected.

[Begin Barrios recording] There is no turning back here. There is not enough money. Even if the government was a very close friend of the enterprises or formed an enterprise itself, it would have to resignedly (?implement) its own measures because there is no way to fulfill or do otherwise. [sentence as heard] [end recording]

The various political groups also agreed that it will be necessary to wait for the development of these government decisions prior to expressing a more formal opinion on them.

Further Party Reaction

PA230413 Caracas Television Service in Spanish 0000 GMT 23 Jul 86

[By Angel Bustamante]

[Text] The COPEI and MAS [Movement Toward Socialism], today revealed their positions concerning the economic measures announced by President Jaime Lusinchi.

MAS believes that only one of the measures is really significant, the one abolishing the foreign exchange rate of 4.30 bolivares per dollar for the payment of the private sector's foreign debt.

[Begin MAS Secretary General Freddy Munoz recording] Also, some of the social measures -- although somewhat timid -- would improve many people's situation in a certain way -- if these measures are ever implemented. [end recording]

The top-level COPEI leaders also analyzed and established their positions concerning the measures announced by the president of the Republic to the country on 17 July.

[Begin COPEI Secretary General Eduardo Fernandez recording] We have always wanted the government to heed the proposals presented not only by COPEI members but also by many people in charge of the private sector's economic activities. The government should call a great national dialogue. [end recording]

New reactions to the measures presented by the head of state are expected in the near future from various sectors in the country.

CREDIT AGREEMENT SIGNED WITH IMF 22 JULY

PA222107 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 22 Jul 86

[Text] Finance Secretary Gustavo Petricioli signed an agreement with the IMF a few moments ago. The agreement was signed at the Mexican Embassy in Washington and will allow our country to immediately get $1.5 billion in credit. The signing of the agreement was witnessed by Jorge Espinosa de Los Reyes, Mexican ambassador to the United States; Jacques de Larosiere, director of the IMF; andn Michael Curtis, president of the World Bank, replacing Antonio Ortiz Mena, president of the IDB.

The agreement signed between the IMF and our country is the result of lengthy negotiations by the Mexican Government, and, for the first time, the IMF has agreed to take into account loss in revenue due to the drop in crude oil prices and gave up its strict demands for austerity. The agreement stipulates that Mexico must reduce the current 13-percent budget deficit to 10 percent of the GNP in 1987.

The Mexican Government also pledged to guarantee its economic growth; the estimated growth will be 3 percent for this year and next, while in 1988 the government estimates a 4-percent economic growth.

The loan will compensate for the losses Mexico suffered with the earthquake last September and the drop in oil prices; the latter alone has been calculated at $8 billion. Mexico will have open international credit lines as of this date.

The country sought to get approximately $7 billion in credit; nevertheless, it was revealed in New York that this might be increased to $12 billion.

BOLIVIAN ENVOY ON ENTRY OF TRAFFICKERS, CITIZENS

PA221511 Panama City EXTRA in Spanish 22 Jul 86 pp 1, 2

[Excerpts] Bolivian Ambassador to Panama Samuel Gallardo Lozada has confirmed in a news conference the possibility that Bolivian cocaine kings might have sought refuge in Panama.

In this regard, the Bolivian diplomat said that "when drug traffickers are pursued in their country, as in the case of Bolivia, they leave their country and take refuge in other countries. They could be in Panama, just as they could be in Miami, Caracas, Rio de Janeiro, or Buenos Aires." [passage omitted]

The Bolivian ambassador also refuted the statement by Immigration Director Captain Felipe Camargo who said that the entry of Bolivian citizens had been suspended because an increase of alleged Bolivian tourists was noticed.

According to Gallardo Lozada, yesterday he contacted Foreign Minister Jorge Abadia Arias, who assured him "that there is no order preventing the flow, stay, or transit of Bolivian citizens in Panama." [passage omitted]

AMBASSADOR IN CARACAS SAYS REPORTERS NOT EXILES

PA190429 Panama City LA PRENSA in Spanish 17 Jul 86 p 28 A

["In a Few Words" column]

[Text] Two Panamanian reporters will not be able to write for their newspaper LA PRENSA for a while, at least so long as the exile they sought in Venezuela lasts. This is the result of an internal political struggle that revolves around the power of General Manuel Antonio Noriega, the National Guard's [as published] "strongman."

Roberto Eisenmann and Guillermo Sanchez Borbon are in Maiquetia under Venezuelan diplomat protection. However, Panamanian Ambassador Marcel Salamin claims that they are not exiles but part of an international maneuver. The ambassador denounced the "Codfish Operation" and denied that reporters Eisenmann and Sanchez Borbon, editor and associate editor of newspaper LA PRENSA respectively, are in Venezuela as "exiles" or political "refugees."

According to the Panamanian diplomat, the presence of Eisenmann and Sanchez Borbon "in the territory of a friendly country" responds to the U.S. interest of trying to transfer to and continue a campaign of attacks against his country and the government of Gen Noriega -- chief of the armed forces -- from here; a campaign that has been systematically carried out by unidentified officials of the Reagan administration (Department of State) via the main U.S. newspapers.

Salamin called the "transfer of the suspicion or campaign to that country "Operation Codfish," in keeping with an adage: "You cannot fool me, Codfish." [quotation marks as published]

The Panamanian Government representative in Caracas said that the U.S. campaign has two main objectives: to eliminate Contadora and mock the Torrijos-Carter Treaties. "They now want to broaden the campaign, to transfer it to a friendly country to avert suspicion and plan an operation against Panama from Venezuela," he added.

Upon being consulted about the case of Roberto Eisenmann, the first of the two reporters to arrive in Venezuela, Ambassador Salamin said that he has been in the United States for the past year and helped in this campaign against Panama.

"They have undeservingly tried to make him look like the prototype of the Panamanian democrat and compare him to Pedro Joaquin Chamorro." Salamin added that there are no threats against Eisenmann's life. He said that he knows nothing about the F-8 paramilitary organization that Eisenmann claims is threatening him. Salamin added that the LA PRENSA editor can enter and leave Panama when he pleases. He said that the label of "traitor to the homeland" given Eisenmann by the Legislative Assembly, which has the right to label "those who operate against national interests" in such a way, is a political label.

As for Sanchez Borbon, Salamin said that he is in Caracas thanks to the courtesy of the Venezuelan Government. The 2-month permit to leave the country is considered adequate, and if he does not return to the country, the trial will continue anyway, Salamin said. He can appeal the decision before the tribunals.

Meanwhile, the exiled reporters denounced the existence of an autocratic regime in Panama that murders its political enemies, threatens freedom of speech, and appears to be the antithesis of what the Contadora Group stands for.

Eisenmann and Sanchez Borbon held a news conference in the office of Hilarion Cardozo, the first vice president of the Senate and president of the Christian Democratic organization of Latin America, to accuse their country's regime of a number of strange incidents, having corruption reports against Gen Manuel Antonio Noreiga, commander of the National Guard and strongman of his country, as their backdrop.

Eisenmann said that "the core of our (LA PRENSA) stand is the Panamanian political system itself, but we carry out this struggle through democratic means."

"The problem is that they (the government) wrap themselves with the national flag whenever they are accused of anything."

Eisenmann explained that the basic problem is Noriega's shady handling of situations. After a 10-year relationship with the CIA, a strange relationship at that, during which he managed to gain the sympathy for the regime of very different sides such as Washington, Moscow, Havana, al-Qadhdhafi, the Israeli Mossad, the Colombian Government, and the M-19, it now appears that the CIA is turning its back on him in the wake of reports in THE NEW YORK TIMES linking the strongman of Panama to drug trafficking.

Guillermo Sanchez Borbon added: "To us, it is unacceptable that the man leading our country could be blackmailed and, above all, that this involves something as monstrous as drug trafficking."

He concluded: "Noriega has turned the armed forces into a gang, a malignant and foul-smelling tumor in the Panamanian body that requires radical surgery; however, Noriega is not the only problem, there is also a political system that separates the legal and institutional Panama from the real Panama."

BISHOPS ISSUE DOCUMENT ON 'FEELING OF FEAR'

PA172352 Panama City LA PRENSA in Spanish 12 Jul 86 p 1

[By Franklin Bosquez D'Giovanni]

[Excerpt] Archbishop Msgr Marcos Gregorio McGrath has stated that the latest arrests of journalists opposed to the regime are making the people of this country "think twice" before going to a state attorney's office.

Meanwhile, Carlos Maria Ariz, apostolic vicar of Darien, has said that there is a "feeling of fear" among the Panamanians and that this situation would not exist if the laws "drafted to defend the people" were adequately applied.

McGrath and Ariz made these statements yesterday in the residence of the former during a news conference convoked by the Panamanian Episcopal Conference (CEP), which comprises all the bishops of the country.

The members of the CEP are: McGrath, who is CEP president; Jose Maria Carrizo; Carlos A. Lewis; Daniel E. Nunez; Jose Dimas Cedeno; Carlos Maria Ariz; Jesus Serrano; Jose Agustin Ganuza; Marcos Zuluaga; Oscar Brown; and Jose Luis Lacunza.

The CEP has delivered a document on four subjects that are sources of concern, especially the one dealing with the so-called "national situation."

The document states that the bishops have been thinking carefully about current national problems and that they are very sad and worried becasue they have "noticed there is estrangment, a general feeling of fear, distrust in the government, and mutual charges -- a situation we have tried to correct on several occasions, but that continues getting more acute at an ever-growing pace."

According to CEP, the charges made from abroad against important national politicians have caused much concern and confusion among the people because the charges are serious and the sources are imprecise in their accusations. "For this reason we have to be discreet in getting these situations cleared up. We have to act with fraternal feelings and respect for the fatherland to resolve our affairs without permitting foreign meddling that would harm feelings of nationalism." [passage omitted]

EL SALVADOR

GENERAL VIDES REPORTS ON 1985-86 ACHIEVEMENTS

PA181847 San Salvador Radio Cadena YSU in Spanish 1800 GMT 17 Jul 86

[By Carlos Mario Marquez -- passages within quotation marks recorded]

[Text] Today Defense Minister General Carlos Eugenio Vides Casanova presented a report on his most recent year in office. In his report, the officer said that discipline is one of the most touchy subjects, particularly to avoid conflicts between the soldiers' morale and their personal well-being. Discipline is necessary to create and maintain a good image of the Armed Forces which guarantees and respects the human rights of the civilian population. In each case where military and common crimes were committed by Armed Forces personnel during this time frame, the Armed Forces authorities acted equitably and justly.

1. Some 3,270 Armed Forces members were charged with various violations of military rules.

[Evides] "2. Discharges and transfers to civilian courts on charges of homicide: 42.

"3. Discharges and transfers to courts on charges of rape: 5 officers, 1 cadet, and 13 soldiers.

"4. Discharges and transfers to civilian courts on charges of (?manslaughter): 1 officer, 2 cadets, and 35 soldiers.

"5. Discharges and transfers to courts on charges of theft: 1 cadet and 32 soldiers.

"6. Discharges and various serious offenses: 15 civilians, 8 cadets, and 115 soldiers.

"7. Combat casualties: For the Armed Forces, 477 dead, 2,482 wounded, 50 missing in action.

"B. [letter as heard] Guerrilla casualties: 1,457 dead, 607 wounded, 1,511 prisoners, 859 voluntary surrenders."

Concerning counterinsurgency actions, and more specifically the military operations undertaken over the past year, Gen Vides Casanova reported the following:

[Vides, in progress] "...of operation:

"A. Strategic warfare considerations: In the light of the political and military strategy that the guerrilla organizations have pursued in 1985-1986, the Salvadoran Armed Forces has implemented the following operations in that same period of time:

"1. Offensive counterinsurgency operations in areas of guerrilla concentration, designed to maintain military superiority and to separate the guerrilla and civilian populations both physically and psychologically, confirming rebel concentrations to northern Morazan and northwestern Chalatenango.

"2. Continuous active defense operations in the remaining areas in each military zone, with the purposes of defending strategic targets, important roads, crops and harvests of products that are basic for the national economy, protecting the major cities maintaining public order, and preventing to the extent possible acts of sabotage by the guerrillas: in short, to generate a climate of relative peace and security that will allow the government to carry out its current national action plans in other fields of endeavor.

"3. Intelligence and special counterinsurgency operations designed to prevent guerrilla expansion into the 2d Military Zone.

"4. Continuation of the policy of respect for human rights and of support for the democratic process with a view to maintaining the civilian population's confidence in and support for the government and Armed Forces.

"5. Stepping up psychological operations, military civic action programs, and participation in the area restoration program in order to win over the hearts and minds of the civilian population.

"6. Disruption of the rebels' political and military organizational structures, installations, and logistical networks.

"7. Counteracting the manipulation and mobilization of urban and rural masses by the guerrilla organizations.

"8. Consolidation of accomplishments and expansion of areas of control. For this we have decided to advance a joint drive that will engage civilians, the military, and government in efforts to shorten the prolonged people's war, gradually consolidate the country's various areas, organize and control the civilian population, rebuild that which has been destroyed, and attain peace in El Salvador.

"9. Increase of military specialization and training in the Army, Air Force, National Navy, and public security forces to improve combat efficiency levels and ensure better use of resources.

"10. Cooperate with the government's efforts to attain peace within a constitutional framework.

"B. Counterinsurgency operations carried out from 1 July 1985 to 20 May 1986: large-scale operations, 86; small-scale operations, 23; continuous operations, 35; helicopter airborne operations, 37; patrols, 111,673; ambushes, 15,599, roadblocks, 20,816."

Later, Gen Vides Casanova was approached by the press and asked about the proposal for a public national debate with the rebels over a national radio and television network. He said:

"The president of the Republic will answer that. Nonetheless, with respect to the Armed Forces, the Constitution does not empower us to enter into debate with subversives or criminals. Our obligation is to fight them. Therefore, our answer to that proposal by the rebels is no."

With regard to the group of U.S. religious activists who were detained by police yesterday in northern Suchitoto, Gen Vides Casanova said:

[Vides] "They arrived in the country and led between 200 and 300 people to the Aguacayo to resettle. That is an area we are preparing for repopulation in an organized manner with the help of the Order [as heard] of Malta.

We need to compile statistics on the people who own property and lands there so as to relocate them. It is still an area of conflict. The presence of foreigners in that area was inconvenient for us because of the risks it entailed. What if something happened to them? Also, they had absolutely no authorization to undertake that repopulation effort.

"The Treasury Police are holding them at this time, and shortly they will be placed under the orders of the immigration authorities and will leave the country.

"I understand that the embassy is handling the problem in its capacity as a diplomatic mission, to see to it that they leave. However, I do not know what their reaction was.

[Marquez] "General: When you said they arrived in an area of conflict, does this mean that the people who are repopulating Aguacay are also in danger?

[Vides] "There is danger throughout the country, because the rebels do not respect any area. Naturally, some areas are more dangerous than others. This area will have to be repopulated in an organized manner. People who really want to work, and not subversives, must be taken there. That is why we must do this in an organized way."

Gen Vides said the following on the dialogue process:

[Vides] "The dialogue proposal is unquestionably a separate matter from the debate proposal. We have said before that the president of the Republic is not only entitled, but obliged to work for peace. The dialogue is one of the ways to do that. The Armed Forces endorses the position of the president of the Republic. However, any dialogue must take place under certain rules, and I believe that for a president, and for the Armed Forces, the only rule that applies is the Constitution. We will support everything that is done within a constitutional framework.

[Marquez] "Sir: What do you consider the outstanding accomplishment of your latest year in office?

[Vides] "The outstanding accomplishment [words indistinct] of the past year was having maintained unity in the Armed Forces. This unity will allow us to overcome all problems. It is currently allowing us to continue to defend and strengthen the democratic system in the country. I believe that the two key factors are: maintaining unity in the Armed Forces and continuing to defend the democratic process. Also, as a consequence of the first two, improving the Armed Forces level of respect from human rights is important. I mention war last, because if we achieve the first three, we will also win the war.

[Marquez] "Will you attend the third dialogue meeting, sir, as you did the first?

[Vides] "I am a military man. I follow orders. I will attend it if the president asks me to. If not, I will not [words indistinct]."

These were statements by Defense Minister Gen Vides Casanova, who this morning addressed the Legislative Assembly to present a report on his actions during his latest year in office. Gen Vides also discussed matters of national interest.

ACAN INTERVIEWS ARMED FORCES CHIEF BLANDON

Contra Aid, Contadora, Condeca

PA190347 Panama City ACAN in Spanish 1909 GMT 18 Jul 86

[By Ricardo Chacon]

[Text] San Salvador, 18 Jul (ACAN-EFE) -- The $100 million in aid which the United States gave to the anti-Sandinists "is very little and cannot achieve a significant change in Nicaragua," the Armed Forces chief of the joint staff has said. "The contras could have better equipment, organization, and training with the military aid, but in my opinion the aid is very little to face the Sandinists' military machine," it was asserted by General Adolfo Blandon in an interview with ACAN-EFE. The U.S. Congress on 25 June authorized the delivery of $100 million to the rebel groups that have been trying to oust the Sandinist regime for the last 5 years.

Gen Blandon said: "The Nicaraguans have received more weapons from the Soviet Union during the last 3 months than they have during the last 3 years, and yet the Sandinists talk about a balance concerning military weapons and units." The Contadora peace document, which has been in the draft process for the past 3 years, includes negotiations to establish military limits in Central America after the treaty is implemented. All the nations except Nicaragua reject this.

Blandon said: "That is why I sincerely do not believe in Contadora. I do not believe in the group because there is a very difficult obstacle to overcome in the military sector. It is difficult to supervise and evaluate the military forces and weapons that each of the countries has." Blandon also asserted tha Daniel Ortega's concept of democracy can be summarized thus: "He who has more weapons has the power. Therefore, it is very romantic to think about Contadora." The military officer said he was talking as chief of joint staff, "but the country's foreign policy is determined by the president of the Republic, and I will abide by any decision he adopts," he added.

The top-level military officer referred to the Central American Defense Council (Condeca) and said that the general staffs of Honduras, Guatemala, and El Salvador have talked many times about its reactivation. The Condeca was founded in the sixties as a joint defense against a "foreign aggression," like the one feared by the founders of this organization: Anastasio Somoza, in Nicaragua and Colonel Julio Adalberto Rivera in El Salvador, after the Cuban revolution.

Blandon said: "We believe that the time is appropriate to revive Condeca as a joint military organization, because we face a common threat, meaning the Marxist-Leninist government in Nicaragua, with its expansionist pretentions." The general stated that "there is a legal basis concerning the Condeca which states that the Nicaraguan Government may demand its inclusion in the organization . Consequently, we have to review the legal basis, perhaps change its name, and organize it among the other four countries." Blandon said: "Likewise, we need the political will of all the presidents in the area to work more consistently and attain the Condeca's reactivation."

Blandon said that the new military organization's goal would be the defense of "the Central American countries' democratic system, which is advocated by Honduras, Guatemala, Costa Rica, and El Salvador." "We have to defend ourselves, we have to form a bloc to defend ourselves from Nicaragua's pretentions, because we have already been affected by the Nicaraguans' influence, and they continue to provide all kinds of aid to the terrorists."

War, Reconstruction Plans

PA220228 Panama City ACAN in Spanish 2230 GMT 19 Jul 86

[By Ricardo Chacon]

[Text] San Salvador, 19 Jul (ACAN-EFE) -- The Armed Forces Joint Staff chief has said that the war in El Salvador "can go on for a long time, but the time could be reduced considerably if we achieve unity among all the country's sectors." General Adolfo Blandon, in an interview granted to ACAN-EFE, stated that at present "60 percent of our units are carrying out eight operations all over the country." The general explained that these operations involve more than 16,000 troops specialized in counterinsurgency and described "the high morale of the Armed Forces and the logistical power to sustain that type of warfare with a high level of fighting spirit."

The operations are carried out in the western, northern, central, and eastern parts of the country. Since the start of the armed conflict nearly 7 years ago, the eastern, central, and northern zones have been the most affected by the war. In the last few years, the FMLN has spread its attacks across the country, even in the Santa Ana, La Paz, and La Libertad Departments, which are considered the most peaceful.

The general reported that a meeting was held last week with department, brigade, and detachment commanders in order to evaluate the Army's tactical accomplishments during the first 6 months of the year. The Armed Forces Joint Staff chief said: "We believe that we are going to implement a change in tactical procedures during the next few months, in order to protect energy sources and powerlines, and to afford more protection to the plantations that supply the country's foreign exchange." The FMLN attacks, as part of the war, targets which are strategic to the economy, like electricity, which has a direct relationship with industry, commerce, and all the country's productive apparatus.

The general added that "for obvious reasons" he could not give details of the procedures to be followed by the Army in this "tactical change." The military man assured that "the guerrillas have been hit hard" and that their presence "has been reduced by 33 percent," but their "capacity to regroup and attack strategic objectives is still there." Blandon was referring to last month's attack on the 3d Infantry Brigade in the eastern city of San Miguel, where some 40 Army personnel were killed.

"The guerrillas still have attack capability, but this is gradually diminishing. We are expecting a large guerrilla attack within the next few days, above all because this gives them publicity for the third round of talks." The government and the guerrillas are to resume peace talks soon. These talks were suspended in November 1984 without any result.

Blandon added: "The Army is prepared for any type of attack, but remember that we are at fixed positions. The guerrillas know where we are." The guerrillas claim to have the strategic and tactical initiative, as they say how, when, and where their forces are going to attack. In addition, they have extended their operational control, and they have the capacity to concentrate and strike strategic targets."

Blandon said: "The war El Salvador is going through is special. Obtaining a military victory is not enough. It is necessary to win in the economic, politicial, ideological, social, and international fields." The military leader added: "The war has to be in all fields. That is why we have started a new overall plan, united in order to reconstruct, which intends to put this idea into operation."

The general said he had met with private businessmen, trade union leaders, and the president and his government, in order to launch the reconstruction drive. The plan is a government enterprise which tries to combine the social, economic, and military aspects of the country's different zones. The project initially entails "a military clean-up of the zones," followed by socioeconomic programs developed with the civilians and various government institutions. Blandon added: "This plan was conceived in August 1985, and we believe it to be the solution to shortening the war; above all because it tries to bring the population together and thus offer the people an alternative."

CASTILLO CLARAMOUNT ON NICARAGUAN CHARGE, DIALOGUE

PA222023 San Salvador Canal Doce Television in Spanish 1200 GMT 21 Jul 86

[Text] Foreign Minister Castillo Claramount has denied that our country seeks to destabilize the Sandinist regime with U.S. support, as a high-ranking Nicaraguan official has asserted. Roxana Lemus reports:

[Begin recording] [Lemus] Vice President and Foreign Minister Rodolfo Antonio Castillo Claramount has rejected an assertion by Nicaraguan representatives to the effect that El Salvador and Honduras are the best U.S. allies for alienating Nicaragua from the Central American area.

[Castillo Claramount] This is a falsehood. To a degree, these are verbal balancing acts and ill-intentioned games by the Nicaraguan Government. To some degree, this is lying, exaggerating, wanting to put words where there are none, and seeking to misinterpret nonexistent stances. Everyone here and in the rest of the democratic world knows that El Salvador is not an element of aggression of the United States against Nicaragua, that the Salvadoran Government will never lend itself to such a thing, that the situation is very different, and that, as President Duarte has said with great dignity and bravery, although it is true that we need U.S. aid and are grateful for it, Salvadoran sovereignty is not for sale. It has not been sold, nor will it be sold in the future. El Salvador will not become an element of aggression against anyone.

[Lemus] Speaking about the third dialogue for peace between the government and the guerrillas, Castillo Claramount ratified Preisent Duarte's view that for the Salvadoran Government the dialogue involves two historically justified concepts. For one thing, he said, it is a need of the Salvadoran people, because they yearn for peace.

[Castillo Claramount] First, it is a need of the Salvadoran people. The Salvadoran people want peace and understand that the dialogue is an instrument for achieving it. The people have faith in the dialogue. The Salvadoran people have come to realize that it is possible to understand one another through rationality and by forsaking the bestiality and brutality that involves the use of weapons and so forth.

In the second place, this government believes in an imperative element imposed by its conscience. It believes in an ethical imperative when it comes to politics: the search for understanding and the solution of problems through the path of rationality, through the path of dialogue, which does not mean surrendering stances or anything like that. No one can seek to approach the dialogue with arrogant stances. No one can approach the dialogue with surrendering stances. The dialogue is in fact the search for a common ground, for consensus, for an intermediate point, a point of convergence, which can always be found.

[Lemus] He also said that efforts will continue to be made, regardless of how hard a stance the guerrillas take, as these are circumstantial things that may vary. [end recording]

BORDER COMMISSION YIELDS AGREEMENT WITH HONDURAS

PA230224 San Salvador Canal Doce Television in Spanish 1900 GMT 22 Jul 86

[Report by Roxanna Lemus]

[Text] The Honduran and Salvadoran Joint Border Commission has signed a special demarcation agreement. The agreement was signed at the Salvadoran Foreign Ministry. The Honduran commission, headed by Pedro Pineda Madriz, arrived in this country this morning to sign the agreement. According to Peneda Madriz, the two countries are concerned about the border problem.

[Begin Pineda recording] We have come here today to resume the work begun by the joint border commission through the demarcation subcommittee. I used the word resume because this meeting is a continuation of the same work that was begun in the past. However, this time it is being done within the framework of the new special agreement officially known by the name of El Salvador-Honduras Special Demarcation Agreement. [end recording]

Meanwhile, Salvadoran Deputy Foreign Minister Ricardo Acevedo Peralta spoke of the deaths of six alleged Salvadoran guerrillas that occurred in the territory in dispute. He said that this type of incident is not surprising.

[Begin Acevedo recording] The Salvadoran domestic situation is one of instability because of the guerrillas and the groups that are up in arms. We have always been able to give them a diplomatic response in accordance with the spirit of the peace treaty whenever these incidents have hindered the strict observance of the norms and postulates included in the peace treaty. Therefore, incidents such as this one are not surprising, nor are they completely unprecedented in these times and circumstances. What is important is to have the goodwill, understanding, and the appropriate response of our neighbors, the Honduran people. They have always understood the needs and problems of the Salvadoran people. [end recording]

The joint border commission will meet again in Tegucigalpa in late August to decide the time, place, and method for the implementation of the peace treaty signed in 1980.

RIVERA Y DAMAS 'OPTIMISTIC' ABOUT DIALOGUE

PA221724 San Salvador Canal Doce Television in Spanish 1200 GMT 21 Jul 86

[Report by Joel Burgos]

[Text] Upon conclusion of his homily, the archbishop of San Salvador [Arturo Rivera y Damas] -- held an impromptu news conference where he said that the mechanism of holding meetings prior to the dialogue has been rejected by the guerrillas.

[Begin Rivera y Damas recording] At this point they believe that the government's acceptance of a proposal I made at a meeting held in Mexico calling for talks prior to the dialogue is a delaying action. I think that the problems that have to be discussed are humorous and the depth of the conflict so profound that unless something is prepared prior to the public meeting, time will be wasted and the people may become frustrated seeing that no positive results are obtained. They told me in Mexico that they would consider holding some talks prior to the meeting, but later they said no, both when they phoned me from Mexico and when I talked to them in Bogota.

My trip was shortened because the (?CIECC) [Inter-American Committee for Education, Science and Culture] meeting in Argentina was cancelled. I had a presentation to make there, but then there was no reason to make such a long trip. Moreover, I was certainly interested in seeing that the president's proposal would not fall into a vacuum, as I am sincerely working so that a peaceful solution may be found through dialogue. [end recording]

The archbishop added that after talking to the government and guerrillas leaders, he is 98 percent optimistic about the dialogue.

FMLN REJECTS RIVERA Y DAMAS' ACCUSATIONS

PA230323 (Clandestine) Radio Venceremos in Spanish to El Salvador 0040 GMT 23 Jul 86

[Communique issued by the FMLN on 22 July 1986, place not given]

[Text] The FMLN reports:

1. The FMLN does not advocate the policy of recruiting personnel against their will. The number of our forces is increasing because of the people's support and the volunteers wishing to join our military units, which guarantees the quality of our fighters.

2. Contrary to the policy of recruiting people against their will as carried out by the Armed Forces, the FMLN is promoting a nationwide campaign through which the youths cooperate and participate without leaving their homes, as members of militias and clandestine guerrillas.

3. At no time have our forces established control over property to collect taxes from small- and medium-size farmers, much less on cooperatives or poor peasants.

4. Our tax collecting policy is aimed solely at landowners, big businessmen in general. It is just and legitimate to have the rich pay for the people's war, while the government is trying to make the people pay through its economic measures, for the counterrevolutionary [as heard] war.

5. The accusations against the FMLN by Msgr Rivera y Damas originate from versions disseminated by four individuals who are collaborating with the Army, who were expelled along with their families from the area of San Gerardo, San Miguel Department.

6. These four individuals were members of the [words indistinct] created by the Arce Battalion and they used to inform on those collaborating with the FMLN or to point out those opposed to the government, or dissatisfied with the regime. The persons who were pointed out by them were usually killed or arrested by the Arce Battalion when it was in the zone of San Gerardo. This was the reason why these four counterrevolutionaries [as heard] were expelled.

7. Colonel Mauricio Roberto Staben, well-known kidnapper, developed and disseminated, as part of his psychological war plan, such absolutely false stories whose objective was to confuse and at the same time cover up the abuses, crimes, and recruitment of persons against their will carried out by the 3d Infantry Brigade troops and the Arce Battalion against civilians in that zone.

8. We regret that the church and especially Msgr Rivera y Damas are repeating these unfounded rumors, whose source can only be Col Staben through his collaborators. On the other hand, they never pay any attention to the accusations of all the crimes, destruction of homes, economic persecution policies, and indiscriminate bombings that are carried out by the Army against the population. We have the evidence to prove our accusations.

9. We invite the local and foreign news media, and especially the church, to visit the people of San Gerardo and the northern zone of San Miguel to speak directly awith the civilian population and confirm themselves, that the actions attributed to the FMLN are false.

Revolution or death, we will win.

22 July 1986.

GUATEMALA

CONGRESS PRESIDENT DEPARTS FOR WASHINGTON

PA222348 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 22 Jul 86

[Text] Guatemalan Congress President Alfonso Cabrera left today for Washington where he will talk with U.S. congressmen about the problems in Central America. Cabrera termed as very positive the interest shown by U.S. congressmen to learn more about the situation in Central America. Cabrera said that he will take advantage of this occasion to inform them of Guatemala's position in relation to the Contadora Group and also the steps that have been taken to organize the Central American parliament and to explain its objectives. Cabrera was invited to these talks by U.S. congressmen, as president of the Guatemalan Congress nd not as an official representative of President Vinicio Cerezo Arevalo's government.

OBSERVER STATUS AT UK TALKS FAVORED FOR BELIZE

PA182149 Guatemala City EL GRAFICO in Spanish 18 Jul 86 p 2

[Text] Guatemala City 18 Jul -- Foreign Minister Mario Quinonez did not specifically comment on Belizean Prime Minister Manuel Esquivel's announcement that his government wants to negotiate its territorial problem directly with the Guatemalan Government.

In response to a question from the press, Quinonez said that Guatemala is interested in holding talks on the matter but with the UK, although Belize may be present. Quinonez reiterated that Guatemala's disagreement is directly with the UK and that therefore it is with that government that it must negotiate. However, Guatemala is not opposed to Belize's presence as an observer, he added.

Regarding the meeting held in Tegucigalpa the day before yesterday by the Honduran, Salvadoran, and Costa Rican foreign ministers, Quinonez said that he did not attend the meeting because he was not invited. He added that, undoubtedly, the three foreign ministers met to discuss aspects related to the Central American situation based on their criteria, and perhaps they felt that Guatemala's presence was not necessary on that occasion.

NAVY CAPTURES 2 MEXICAN FISHING VESSELS

PA230159 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 22 Jul 86

[Text] Navy units captured two Mexican fishing boats in Guatemalan territorial waters. The crew and the boats were placed under the jurisdiction of the authorities in Champerico, Retalhuleu Department. The military has issued a bulletin reporting that a fishing boat called Alondra was captured last Sunday with two persons aboard. The other boat, called Sussy, was captured early this morning, also with two persons aboard, fishing for shrimps. The Alondra was fishing for sharks.

The two fishing boats were captured by the same Guatemalan naval unit along the Pacific coast.

HONDURAS

MONTOYA VIEWS MILITARY TRAINING IN BORDER AREAS

PA190405 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 17 Jul 86

[Text] Already there is talk of preparing Honduran citizens living along the border area for a possible conflict. National Congress President Carlos Orbin Montoya has said that our border area citizens will be trained militarily to defend themselves in the event of a possible conflict. The National Congress president spoke with our reporter Douglas Membreno.

[Begin recording] [Montoya] That is true. We are drafting an interdisciplinary plan for the entire sector. I have personally asked for international cooperation to develop the entire border area. We may even provide military training to the residents so that they can defend their homes and properties. There is an interdisciplinary plan whereby we want to help that zone, and even provide military training to the residents so that they will be able to defend their homes and properties. In other words, the people will at least know how to act in the face of a clash or an outbreak of war.

[Membreno] Mr Montoya, that area's coffee growers have experienced huge losses. As president of the Congress and as a coffee grower, how can you help them?

[Montoya] The Coffee Committee [of the Congress -- FBIS] has drafted a plan to conduct an inspection at the border, assess the damage, and make recommendations to the Congress for approval. The following problem will then be to study the border area with Nicaragua to assess the damage and to reach a decision.

[Membreno] Regarding the problem of the contras' presence in Honduran territory, National Congress President Montoya said:

[Montoya, in progress] ...jurisdiction. This is a tactical and practical problem. We have said that we have been tolerant for humanitarian reasons.

[Membreno] How long will the Honduran Government be tolerant?

[Montoya] Not very long, I do not think. They have to return to their country. [end recording]

CONTRAS, FMLN REPORTEDLY USING HONDURAN ID CARDS

PA222016 Panama City ACAN in Spanish 1557 GMT 22 Jul 86

[Excerpts] Tegucigalpa, 22 Jul (ACAN-EFE) -- Salvadoran guerrillas and Nicaraguan counterrevolutionaries are using Honduran identification cards, Roberto Callejas, president of the Honduran National Electoral Tribunal, said today. The official said that two Nicaraguan citizens bearing Honduran identification cards were recently arrested in Miami.

The Salvadoran guerrillas and the contras fighting the Sandinist government are using the identification cards to enter Honduran territory, "either to rest or to obtain food," the official added. The president of the National Electoral Tribunal did not say how many Salvadorans and Nicaraguans are using the Honduran identification cards, but he did say that 50,000 foreigners had identified themselves as persons born in Honduras. The identification process is now being revised to invalidate the identification cards of all foreigners with false Honduran identities. [passage omitted]

NICARAGUA

ORTEGA TO PARTICIPATE IN 29 JUL UN MEETING

PA221649 Paris AFP in Spanish 1626 GMT 22 Jul 86

[Text] New York 22 Jul (AFP) -- President Daniel Ortega will travel to New York on Saturday to participate on 29 July in a meeting of the UN Security Council, it was officially anounced today at the United Nations. Nicaragua is expected to request a Security Council meeting to discuss the ruling of the International Court of Justice at The Hague condemning the military and paramilitary activities of the United States against Nicaragua, and acknowledging the fact that Managua is entitled to receive indemnity. The council's meeting will probably open on Tuesday. Nicaragua's ambassador to the United Nations, Nora Astorga, has already begun a number of bilateral consultations with members of that body and with the member-countries of the Contadora and Support Groups.

ORTEGA TO ATTEND BALAGUER INAUGURATION

PA230359 Managua Domestic Service in Spanish 0315 GMT 23 Jul 86

[Text] Santo Domingo -- The presidents of Nicaragua, Guatemala, and El Salvador will attend the inauguration ceremony of President Joaquin Balaguer on 16 August, reported sources from the foreign Ministry.

The source said that Commander Daniel Ortega Saavedra, Vinicio Cerezo, and Jose Napoleon Duarte have confirmed that they will attend the inauguration ceremony, which will also be attended by several political leaders from the United States, Latin America, and Europe. It is also expected that Social Christian leaders of some 15 countries, like former President Rafael Caldera and Luis Herrera Campins from Venezuela, Osvaldo Hurtado from Ecuador, and [name indistinct], former Italian prime minister. The Social Christian leaders have been invited by the Reformist Social Christian Party of Balaguer, winner of the general elections held on 16 May by more than 24,000 votes over the officialist Dominican Revolutionary Party.

RETURN AUTHORIZED FOR U.S. PRESS CORRESPONDENTS

PA230354 Managua Domestic Service in Spanish 0312 GMT 23 Jul 86

[Communique issued by the Interior Ministry's Public and International Relations Directorate; date not given]

[Text] The Interior Ministryu's Public and International Relations Directorate reports that in an unconsulted administrative decision, U.S. WASHINGTON TIMES correspondents Glen Garvin and Sue Ann Mullin were expelled from the country. The Interior Ministry has proven that the two correspondents are indeed open opponents of the Sandinist revolution and that they have furnished abundant misinformation on the situation in Nicaragua. The decision to expel them was made by a mid-level government official who did not consult previously with the Interior Ministry's superior directorate. Thus, Garvin and Mullin may, if they wish to do so, return to Nicaragua to continue their work.

Interior Ministry, Public and International Relations Directorate.

SOVIETS DONATE WHEAT; BREAD SUPPLY 'ASSURED'

PA221920 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 22 Jul 86

[Text] The merchant ship (Anatoliy Lunatziy) arrived today at Port Corinto with 10,000 tons of wheat. This makes a total of 20,000 tons of wheat that the Soviet Union has donated to Nicaragua in recent days as a demonstrations of solidarity. With this wheat, the Nicaraguan people have assured bread production for 5 months. The donation is already being removed from the port by [words indistinct]

COMMANDER RUIZ TO VISIT VIETNAM 24-31 July

PA221541 Managua Radio Sandino in Spanish 1200 GMT 22 July 86

[Text] Commander of the Revolution Henry Ruiz Hernandez, a member of the National Directorate and foreign cooperation minister, has departed for the Socialist Republic of Vietnam for an official visit, according to a communique issued by the Secretariat of the FSLN National Directorate. Commander Ruiz will be in Vietnam between 24 and 31 July. He was invited by the Central Committee of the Communist Party and the Vietnamese Government in an effort to broaden and strengthen relations between the two countries, among which demonstrations of solidarity and friendship have already become a tradition.

TINOCO COMMENTS ON STATUS OF CONTADORA

PA221315 Managua Radio Sandino in Spanish 1930 GMT 21 Jul 86

[Text] The Contadora Group is not bankrupt, despite the current situation, and the Support Group is waiting for the right political moment that will allow it to operate again. This statement was made by Deputy Foreign Minister Victor Hugo Tinoco during an interview with NOTIMEX. The deputy foreign minister said that Contadora has become a kind of political capital that has grown in the past 3 years and which represents the Latin American unity at a time when the U.S. Government is politically and economically attacking nations like Mexico, Panama, and Brazil. I do not think that Contadora is dead, because, in the first place, it is necessary for peace in Central America, and all forces interested in peace, especially Latin America, will continue to put forth efforts to do this job, Tinoco added. Also, Contadora represents interests not only for the peace of the Central Americans but for all of Latin America. Contadora defends principles like nonintervention, Tinoco said.

After recalling that in the past few weeks the U.S. media has used much of its space to criticize the Mexican Government because of the elections held on the border with the United States, Victor Hugo Tinoco said that the level of confrontation between the Reagan administration and Latin America has grown in the political-diplomatic sphere.

In this regard, the Nicaraguan deputy foreign minister said that Latin America needs Contadora to confront the generalized and global aggressiveness of the Reagan administration against all the countries of the area. Tinoco added that as a result of the escalation of the war following the approval of military aid to the counterrevolution by the U.S. Congress, it is quite natural to expect a period of change in the negotiating process in Central America because the axis will now move toward the military situation, subtracting space for the political-diplomatic efforts.

Tinoco said that countries like Mexico and Panama are convinced and determined that in Central America the only solution to the conflict is through Contadora. However, Tinoco expressed his doubts regarding the position of the new Colombian Goverment.

Deputy Foreign Minister Tinoco said that Contadora is waiting for three elements to direct its actions. One of the important factors could be the result of the legislative elections in the United States. These elections will be held in November. Another factor is the evolution of international public opinion, especially U.S. public opinion, regarding the Central American situation. The third factor is the development of the military confrontation in Nicaragua.

ARCE MEETS WITH ECUADORAN PEACE DELEGATION

PA220230 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 21 Jul 86

[Text] Commander of the Revolution Bayardo Arce, deputy coordinator of the Executive Commission of the FSLN'S National Directorate, met this afternoon with the Ecuadoran delegation for peace headed by Jose Solis, secretary of the Council for Peace. Commander Arce expressed appreciation for the presence of this country's delegation, that observed Nicaragua's situation during its stay. Solis said that, upon returning to his country, he will help to clarify the misinformation campaign fostered by the United States.

FURTHER ON L.A. YOUTH CONFERENCE IN MANAGUA

Cardenal on Church-State Relations

PA221320 Managua Radio Sandino in Spanish 1300 GMT 20 Jul 86

[Excerpts] On 19 July, Education Minister Father Fernando Cardenal spoke about the participation of Christians in the process of social transformations currently taking place in the country. Speaking before approximately 100 delegates to the meeting of Latin American and Caribbean Youths for Peace and Nonintervention in Central America, Father Cardenal said that there is no problem in Nicaragua between Christians and the revolution. He added that if there are any problems between the bishops and the revolution, they are of a political nature because some bishops are bent on favoring the $100 million for death that will be used to bleed the people. Minister Cardenal explained that it was for that reason that Bishops Vega and Carballo were expelled from the country, because they betrayed the Nicaraguan people by supporting the U.S. death policy. He said: Traitors are executed in other countries. However, here they were expelled in a lenient manner, he added, referring to the government's decision to ban the entrance to the country of priests who on several occasions supported the approval of the $100 million for the contras. [passage omitted]

Meeting Adjourns

PA222026 Managua Radio Sandino in Spanish 1300 GMT 20 Jul 86

[Excerpts] After 3 days of sessions in which Latin American and Caribbean youths analyzed the region's military, economic, and social situation, a youth meeting concluded on 17 July. We must increase awareness and solidarity and, above all, understand that the struggles are the same for all peoples, [names indistinct], secretary general of the WFDY [World Federation of Democratic Youth] said, adding that it must be clear that the warmongering policy of the United States is not only directed against Nicaragua, but against the world. That is the main reason why all youths must ask for solidarity for Sandino's people.

Pedro Hurtado, coordinator of the 19 July Sandinist Youth, closed the event which was also sponsored by the FES [Federation of High School Students] and the UNEN [National Union of Nicaraguan Students]. This meeting became a forum against intervention in Central America and a combat trench in the defense of the Sandinist people's revolution, Hurtado added. He said that the Managua meeting will be a point of reference in the search of ideas and actions to be undertaken by youths for our peoples. The fact that this meeting is being held during the celebrations of the 7th anniversary of our revolution and is being attended by Latin American and Caribbean youths is one more slap at imperialism, the youth leader added. [passage omitted]

The youth wing of the URNG proposed during the Latin American youth meeting that the campaign entitled "$100 Million for Life, Against the $100 Million for Death," be promoted at the international level. The campaign seeks to collect through many activities $100 million in aid for Nicaragua to counteract the $100 million that the United States has approved to kill the Nicaraguan people.

TORRES ON COUNTRY'S RIGHT TO PURCHASE WEAPONS

PA222249 Managua Radio Sandino in Spanish 1930 GMT 22 Jul 86

[Text] Guerrilla Commander Hugo Torres, chief of the EPS Political Directorate, has said that Nicaragua has never renounced its right to modernize its Army or purchase the necessary weapons for its defense. During an interview with NOTIMEX, Commander Torres said that the U.S. Government's campaign, regarding the possibility that Nicaragua will purchase modern aircraft, is aimed at justifying its virtual declaration of war against our country expressed in its military and logistical support for the counterrevolution. Commander Torres admitted that Nicaragua recently purchased more helicopters, however, he clarified that these are MI-17 helicopters used to transport troops and not for offensive purposes.

Commander Torres said that the Pentagon's versions attempting to portray the image of a militaristic Nicaragua that would represent a danger to the United States is nothing more than a justification to give the contras more heat-seeking surface-to-air missiles like the SAM-7 or the Stinger.

When describing the weapons, Commander Torres said that we must obtain hundreds of thousands of weapons such as light-weight artillery weapons, rifles, rocket-launchers, machine guns, mines, and grenades to implement the military doctrine for defense, which is based on the people in arms, and be able to wage an active war of resistance that will stop and defeat the possibility of a direct military intervention by the United States should this occur.

Commander Torres also said that negotiations are under way for Nicaragua to purchase the French-made Mirage plane or the Soviet-made MIG. Should agreements be reached on these purchases, they would be very important elements for the defense of the country because the contras supply by air would be practically impossible. This would come in very handy should a direct U.S. military action occur.

Commander Torres added that for the past 7 years the United States has been preparing the public and has built a whole infrastructure for an invasion of our country. He said that it is important to evaluate the war from the political standpoint and added that, to date, and in view of the fact that it has been unable to act directly with its own forces or take over docile armies in Central America, Reagan has had to use the counterrevolution to attack Nicaragua militarily. Commander Torres added that the United States is trying to capitalize on the effect of these actions to expand its political space before the public and international opinion, especially U.S. opinion. Commander Torres described the efforts to get the U.S. opinion on its side as very important for any U.S. Government.

Commander Torres said that the U.S. Administration's attempts in the political sphere have been successful, especially with the support of the U.S. Congress. However, it has also faced difficulties because it has not been able to escalate its aggression against Nicaragua with its own troops.

BRIEFS

HOUSING SECTOR ACHIEVEMENTS -- Miguel Ernesto Vigil, minister of housing and human settlements, has stated that 50,000 families have benefitted from the government's housing projects during the last 7 years. Vigil added that his ministry will now seek to attain the goal of 100,000 housing units within the next few years. [Summary] [Managua Radio Sandino in Spanish 1750 GMT 18 Jul 86 PA]

CENTRAL COMMITTEE MEETING ASSESSES ECONOMY

Castro on U.S. 'Danger'

PA222235 Madrid EFE in Spanish 2115 GMT 22 Jul 86

[By Juan Jesus Aznarez]

[Text] Havana, 22 Jul (EFE) -- President Fidel Castro has called the administration of U.S. President Ronald Reagan one of the "most serious" dangers in the whole history of the Cuban revolution. The Cuban leader made these remarks at the second plenum of the Central Committee of the Communist Party of Cuba (FCC), whose conclusions have taken up almost the whole first page of the official daily GRANMA.

During the plenum, held on 17, 18, and 19 [July] to make an economic and social evaluatjon of the year 1985 and the first months of 1986, several documents related to the "process of rectification of errors and negative trends" being held in Cugs were approved.

Castro said: "In the field of defense a huge job has been done in the face of the threats of the Reagan government. " However, along the same line political work for the working class was neglected.

The PCC Central Committtee held its second plenum after the administrative and political leaders of the 14 provinces of Cuba had completed a round of assemblies directed to list and analyze the negative trends that the government has denounced.

Fidel Castro warned that there should be "an immediate" rectification of a large nmber of errors and that it is necessary to find solutions "without desperation."

The Cuban chief of state repeated his belief that after this process the revolution would emerge stronger and that the experience would also be of held for other revolutionary movements.

Castro said: "We are at work for the socialist cause."

The Cuban leader described the country's military training as "a giganitc task," although he pointed out: "We had been losing on one side what we had been achieving on the other." He also said: "We have begun to be infected by mercantilism, liberalism, and other evila."

After Castros met with 3,500 enterprise leaders of Havana in June, other meetings have been held in various productive or social sectors. This past weekend, the Committees for the Defense of the Revolution of Havana held an assembly in which they pledged to increase their political and ideological work among the people. Toward this end, other events have been held in the steelworking and agricultural sectors. All of these events reached similar conclusions, namely self-criticism and more demands from workers. The press and television newscasts have reported on these events profusely and have commented on the mistakes pointed out by the country's leadership.

During his speech to the Central Committee, Castro asked that the press "free itself completely from stereotyped and arrogant positions."

He added: "In this way, the press will become more and more convincing, thought-provoking, and pleasing. This in no way clashes with its principles and the innate loyalty it has for the people."

Other Topics Discussed

FL221512 Havana Tele-Rebelde Network in Spanish 1130 GMT 22 Jul 86

[Text] As has been reported, on 17, 18, and 19 July, the second plenary of the Communist Party of Cuba Central Committee was held and presided over by its first secretary, Commander in Chief Fidel Castro.

The Plenum evaluated the economic and social achievements of 1985 and the first months of 1986 as well as the efforts directed by our party to rectify errors and negative tendencies that have been an essential part of the special plenary meetings held by provincial and municipal committees, party base organizations and the recently-held provincial enterprise assembly meetings.

The documents presented on the two topics for consideration by the Central Committee were approved. Among the principal elements contained in the economic-social evaluation was the fact that during the first 4 months this year, the production of goods was 3.6 percent greater than the same time period in 1985, based on stable prices.

In reference to a 6-month period, this growth of only 2.2 percent reflects the external difficulties of the present year and indicates that if the necessary measures are not taken, it will also affect in 1987 the already low fulfillment of numerous exportable commodities.

The plenum evaluated the extraordinary efforts to minimize losses during the difficulties that occurred during the sugar harvest. During the last 4 months, the nonsugar economy generally completed the production plan and grew by 7.4 percent. In a 6-month period, this growth was 3.6 percent. Work productivity has been affected since the beginning of the year. A deterioration has been noted in the wage-resources-productivity relation. During the 6-month period, productivity decreased 1 percent, and the average salary increased 3 percent.

If the estimates are removed from the sugar economy, [si se eliminara el calculo a la economia azucarera], work productivity in comparison to the same period last year increased by only 0.6 percent, while the average salary increased 2.1 percent.

The total exchange of merchandise during the 6-month period reflects a completion of 55.7 percent of the annual plan and a decrease of 0.43 percent in comparison to 1985.

The most complex situation is in the area of freely convertible foreign currency, which seriously reflects the consequence of some export products' falling prices and other external factors, even though in 1985 there was a notable advance in the conservation of energy carriers [portadores energeticos], which has not been favorable during the past few months of this year.

At the end of June, consumption of combustible fuel, diesel fuel, and motor gasoline increased 4.4, 8.6, and 5.2 percent, respectively, which does not correspond to the economy's rate of growth. The consumption of electrical energy in the state civil service sector increased 6.7 percent. Nevertheless, it must be noted that the situation has been gradually improving during the last 2-3 months.

In reference to profitability and production costs at the end of the first 3 months, the cost per weight was greater by 3.1 centavos over the same period last year.

The plenum paid special attention to investment policies. The need was stated to halt the practice of beginning numerous works whose completions are indefinitely delayed this losing the concept of production as a continuous process in construciton. The inefficiency, productivity, and low-quality of completions were severly criticized, especially in roof construction. In this respect, the Central Committee categorically announced itself in favor of adopting measures that would guarantee that each task initiated would be assured of the resources required and could count on the schedule established for its conclusion.

Some employment problems were also analyzed at the plenary meeting, and they stressed that established priorities be followed so that new positions can be filled by youths completing active military service who are returning to their country after training with cooperation contingencies in other socialist countries.

They discussed measures to increase stability in the work force to cover deficits existing in some areas in the country and in sectors such as agriculture and construction.

Upon approving the economic and social evaluation of 1985 and the first months of 1986, the plenum stressed that the country has continued to experience important growth during this period despite the deficiencies that have been mentioned.

They point out the brilliant effort made during the past sugar harvest, which was able to greatly minimize the effects of the drought and Hurricane Kate. At the same time, they note the growing intensity of the availability of freely convertible foreign currency [divisas libremente convertibles] as a result of the known phenomena that affect our trade in the capitalist area and the insufficient development of our exportable commodities. They note the need to reaffirm the already-defined economic strategy and revitalize the spirit of conservation of fuel, elecrricity, raw materials, and all kinds of materials that have been deteriorating over the past few months.

In light of this evaluation and the joint analysis conducted by the party and the entire country's government organs, the second plenary dedicated the majority of its 3 work days to study in detail the causes of errors and negative deficiencies that have developed in the heart of our society, particularly the phenomena foreign to the socialist morality which are being manifested in the labor environment.

The Central Committee stressed that these phenomena are caused by several factors. The predominant ones are the lack of administrative requirement, laziness, tolerance of trade union structures, and serious weaknesses in political tasks.

It became obvious that the economic tendency that tries to promote the completion of production and service goals solely by using material supports is itself deformed because its application violates existing standards and regulations. It does not create satisfactory conduct and, on the contrary, it worsens lack of discipline, negligence, and lack of interest in social goals.

The Central Committee considered it urgent to overcome this tendency and rigorously confront the consequence, above all, in respect to the good use of the work day of which accurate completion should be the fundamental indicator used to evaluate the level of organization, requirement, and control on the part of the administrations. Good use of the work day itself should be each worker's basic moral responsibility to society and himself.

In this respect, the plenum declared itself in favor of reinforcing all mechanisms that hold the cadres responsible for respecting and restricting the content of the work day in each work center and agreed that certain activities should be held after working hours such as administrative meetings and other activities that take cadres and those responsible for production away from their tasks and also require them to relocate outside their work centers, which suppresses any personal management during working hours.

The Central Committee also considered that it is now up to the militants of the party, UJC [Union of Young Communists], work collectives, trade unions, and all other workers to respond to Comrade Fidel's call with a renewed spirit of owners and users of production means.

The response is summarized in one word, which gives dignity and praise: work, above all, to work according to each one's responsibility during a work day and each day to work better, with more dedication and quality.

In this respect, the situation of the textile center in Santiago de Cuba was examined where construction deficiencies combine with several uncompleted tasks, disorder, and a high rate of absenteeism. The party Central Committee considered these and other production insufficiencies in the province and Santiago de Cuba municipality. They indicated that an effort should be made to inspire shame and to appeal to the revolutionary spirit of the people of Santiago de Cuba, who are aspiring to host the fourth party congress, to demonstrate now and continue demonstrating over the next few years that they have earned that high honor.

A similar detailed analysis was made of the progress in the Moa region development program and the steps being taken to assure that the elevated investments made there begin to show productive results. The full and alternate Central Committee members debated the situations presented by the so-called legal briefs and medical certificates. They approved criteria for a study intended to create order so that legitimate laws, guaranteed by the labor legislation of our socialist state, cannot be manipulated to favor laziness and fraud.

Also discussed in a similar manner were aspects linking salary to yield, poor application of standards and bonus payments, various aspects of the phenomena of workers without a job that remain on the payroll, authorizations for so-called freelance work, autonomous policy for labor force by enterprises and budgeted units, and other problems.

The plenum discussed the numerous errors and distortions that occurred despite Comrade Fidel's warning that the directorate of the economic system could not spontaneously resolve all the development problems of the country. It was decided unanimously that the predominance of such a profoundly erroneous concept over the past few years created senseless carelessness in political and ideological work, introduced practices that had a tendency to make workers and leaders corrupt and obsessed with money [metalizar], created technocratic and bureaucratic deformations that promoted the hypertrophy of personnel, prevented rational formulas by multi-official methods for better use of the labor force, affected the quality of work, and promoted a growing ineffectiveness and inefficiency in the entire country's productive apparatus.

As a result, the Central Committee plenum decided in favor of continuing the immediate rectification of all those deficiencies that could be and should be corrected without delay, and at the same time, continue to study calmly other cases in a complete and profound manner to prevent extremes and errors from occurring in the measures that require implementation. It was indicated that this should be confronted like a great economic and political task that should always be preceded by convincing and mobilizing workers and the masses in general.

The plenary session gave priority attention to the role of mass dissemination means, both in the process of adjustment and the perspective of building socialism in our country. Regarding this topic, Comrade Fidel Castro referred to the ideas he outlined during last meeting of the National Assembly, stressing his conviction of the decisive role that must be played by the written, radio, and televised media in the struggle against mistakes and negative trends and for the affirmation of socialism's principles and ethics.

The second plenum adopted Comrade Fidel's considerations on the need to take into account the experiences gained in criticizing economic management and administrative functions in the recent past, and thoroughly examined the causes for adjustments that have taken place after brief periods of relative progress during which there have been successes and mistakes. In this respect, the plenum agreed that the critical efforts of our media have not frequently found understanding and, for that reason, have lacked consistent support, above all in the party's very own structures, which constitutes a reflection of the need to raise the spirit and practice of criticism and self-criticism in the midst of party's nuclei and intermediate level leadership, in the UJC, and in mass and social organizations. Our media can also contribute to this effort.

The plenum also discussed the current varied limitations that the media experience in voicing criticism and shared the opinions expressed during the discussions on complexity and determined political, moral, and oriented support that must be consistently given.

Comrade Fidel Castro delved deeply into the role of the dissemination means with respect to the continued increase in the level of the people's information and culture. In this regard, he stressed the need for our press to liberate itself completely of stereotyped and triumphalist schemes so that it becomes increasingly more convincing, profound, and entertaining, which in no way contradicts the position of principles and loyalty to the people and the revolution characterizing it.

The second plenum expressed its confidence in the fruitful and guiding results of the fifth congress of the Union of Cuban journalists, scheduled for September of this year.

The plenum also conducted a detailed examination of the state of scientific research work in the country. In this sphere, the need for obtaining greater and better results of acquired resources was noted, attaining complete responses to the problems of our development through research work, vigorously reviewing the policy observed so far for granting scientific degrees, and profoundly renewing the concepts and style that should be observed in the exercise of scientific research work.

Likewise, numerous problems affecting the quality of education were reviewed, especially those dealing with weaknesses in education work, low level of training of teachers and professors, lack of exigence and discipline, insufficient study habits, and other shortcomings, all of which is reflected in the inadequate training of children and youths attending the different levels and types of education.

After 25 hours of discussions during which more than 100 hours of speeches were made, Commander in Chief Fidel Castro made the closing remarks of the second plenary session. In his speech, as he did in statements made during the discussions, Comrade Fidel explained the problems and difficulties that the revolution must tackle today. He noted that the party leadership had been able to devote its time to this effort thanks to the great work performed in the field of defense in the face of the Reagan administration's threats.

He termed these threats as the most serious the revolution had faced in all its history.

However, in contradiction to that gigantic effort, we realized that we were sliding on a slope tilted over the moral field with its unavoidable political and economic consequences, in other words we were losing on one side what we were gaining on the other. We were being contaminated by mercantilism, liberalism, and other views.

Volunteer work was practically abandoned in the economy and had sought refuge in defense tasks. We were entering a process of corruption of the workers in which an attempt was being made to solve all problems with money. The commander in chief noted that he had warned on many occasions about the opinion of trusting all situations to the economic mechanisms, because if capitalism is the empire of blind laws, socialism should be the empire of conscientious planning and work.

As a result of this situation, Fidel indicated, the integrity concept in development plans was lost, the microbrigades were eliminated, and social projects were checked. The important economic and political role played by schools in the countryside was underestimated, and we gradually began to depend on the construction sector in a situation of virtual powerlessness in response to the country's needs.

The party's first secretary voiced confidence that with imagination and revolutionary resourcefulness, we will find the formula to respond to all these problems. We have the privilege of having a great party and a great people, he said. We also have a Central Committee worthy of the two which, he noted, had been demonstrated in the very successful and fruitful meeting that was about to conclude.

Comrade Fidel said that a large number of problems must be corrected immediately and that, without losing hope, calmly, making sure not to fall into improvisations and mistakes, analyzing and studying all matters very carefully, we could find adequate solutions to all the difficulties and deformations.

In closing, Fidel noted his confidence that we would come out stronger from this process of rectification and that it will be a great lesson that there are things with which no one can play. Not only it will be an experience for us but for the entire revolutionary movement; we are working, Fidel stressed, for the cause of socialism.

GOVERNMENT DENIES AGREEMENT WITH BANKS

FL222351 Havana Radio Rebelde Network in Spanish 2300 GMT 22 Jul 86

[Text] The aim of the meeting between Cuban representatives and creditor banks held in Paris this weekend was to have a simple exchange of views and not to sign an agreement. This was stated by this capital's banking circles. Authorized sources indicated that the possibility of signing an agreement was left for a future meeting with the group of creditor banks headed by France's Credit Lyonnais. The U.S. newspaper THE WALL STREET JOURNAL said creditor banks offered Cuba an additional loan of $50 million.

DELEGATION VISITS NICARAGUA'S REGION 4

PA221705 Havana International Service in Spanish 1800 GMT 21 Jul 86

[Text] The Cuban delegation to the festivities of the 7th anniversary of the victory of the Sandinist revolution has visited areas in Nicaragua's 4th Region, which comprises territories in Granada, Masaya, Carazo, and Rivas Departments.

The delegation, led by Jorge Risquet, Communist Party of Cuba Politburo member, learned about the social and productive transformations currently underway in the city of Granada and in the zonal committee of the Carazo area. The visitors met with members of the FSLN regional committee, who told them about the preparations for defense carried out in the area.

PEACE MOVEMENT GREETS SANDINIST ANNIVERSARY

PA230420 Havana International Service in Spanish 1800 GMT 20 Jul 86

[Text] A statement on the occasion of the 7th anniversary of the triumph of the Sandinist revolution was released in Havana by the Cuban Movement for Peace and Sovereignty of the Peoples. The message states that the Nicaraguan people are celebrating their national day with optimism over the battle being waged by the EPS against the allies of U.S. imperialism. The statement adds that the Nicaraguan Government has expressed its willingness to find, through negotiations, peaceful solutions to its differences with Washington. Nicaragua has expressed this willingness at the international level.

BRAVO DISCUSSES RELATIONS WITH MEXICAN SENATOR

FL220152 Havana Television Service in Spanish 0000 GMT 22 Jul 86

[Excerpt] Flavio Bravo Pardo, president of the National Assembly of the People's Government [ANPP], has received at ANPP headquarters Mexican Senator Socorro Diaz Palacios, who is in Cuba invited by the government to participate in the 26 July festivities. The meeting was characterized by the diversity of subjects of mutual interest existing in Cuban-Mexican relations. [passage omitted]

CONDITIONS FOR JOINING ALADI CALLED 'RIPE'

PA230200 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 22 Jul 86

[Text] Cuba has announced that conditions for joining ALADI are ripe. Eduardo Delgado, director of the Cuban international organization [as heard], feels that the time for his country to join the association is at hand. Cuba has been absent from this body since the beginning of the economic blockade 25 years ago. Delgado said Cuba, as an observer nation, feels ALADI will surely find enough political means to become even more integrated.

BERMUDA

TEAM TO PARTICIPATE IN COMMONWEALTH GAMES

FL230045 Bridgetown CANA in English 2343 GMT 22 Jul 86

[Text] Hamilton, Bermuda, July 22, CANA - REUTER -- The Olympic Association in Bermuda, Britain's oldest colony, announced after an emergency meeting today that it would keep the island's eight-man team in the Commonwealth Games.

The meeting was held after opposition politicians and anti-apartheid activists in the country, whose populatin is 60 per cent black, urged Bermuda to follow the lead of more than two dozen countries who are boycotting the games over Britain's refusal to impose sanctions on South Africa.

Sports Minister Maxwell Burgess said the government's view was that a boycott would do little to help change Britain's position on economic sanctions against South Africa, but he said the government had taken no part in today's meeting.

HAITI

FORMER DUVALIER OFFICIAL CONVICTED 22 JULY

FL221922 Bridgetown Cana in English 1814 GMT 22 Jul 86

[Text] Port-au-Prince, July 22, CANA-REUTER -- A Haitian jury wound up a tumultuous 24-hour trial today by finding another official from the Duvalier era, Edouard Paul, guilty of complicity in the presumed murder of a subordinate.

He was sentenced to three years in jail.

The jury said after 30 minutes of deliberation that there were extenuating circumstances in the case and that Paul was not guilty of premeditation in the 1969 death of literacy worker Pierre Denis.

Paul's trial came less than a week after the raucous 18-hour trial of Duvalier security chief Luc Desyr, sentenced to death for torture and murder.

The Duvalier family's 29-year iron rule over Haiti ended in February when President for Life Jean-Claude Duvalier fled abroad.

Judge Raoul Lyncee presided over the trial of Paul, 68, the former director of the National Office for Literacy and Community Action (ONAAC).

Lyncee ruled scrupulously and often scolded hundreds of youthful male spectators who cheered and called the defendant criminal and assassin.

At one point the judge, who stutters, called the crowd a band of cannibals and threatened to stop the trial until order was restored.

Soon troops arrived, some with masks and teargas, and ushered those blocking the aisles into empty seats.

The case involved determining whether Paul had plotted with Francois Duvalier, the father of Jean-Claude, when Paul ordered Denis, director of ONAAC in the Cayes region, to the Capital.

Denis disappeared in Port-au-Prince, and is presumed to have been murdered by Francois Duvalier after being jailed and tortured in the capital.

Former ONAAC employee Abellard Pierre-Louis testified that Paul convinced Francois Duvalier ONAAC was infiltrated by communists. Francois Duvalier died in 1971.

Yves Volel, lawyer for the Denis family, contended Paul was a cold Duvalierist doctrinaire obsessed by imaginary communist plotters.

Several prominent Haitians testified for Paul, including a publisher and state university rector.

They praised Paul's character, but none knew anything about Denis's disappearance.

Paul defended himself, saying he had merely followed an order when he ordered Denis to Port-au-Prince.

Paul added that Duvalierists murdered his own brother but he did not protest.

I am a man of research, of the pen, a writer, he declared. In my whole life I never arrested, denounced, killed.

ST VINCENT

ST VINCENT, SPAIN ESTABLISH DIPLOMATIC RELATIONS

FL222157 Bridgetown CANA in English 2124 GMT 22 Jul 86

[Text] Kingstown, St Vincent, July 22, CANA -- St Vincent and the Grenadines and Spain have established diplomatic relations at ambassadorial level, the Government Information Service (GIS) announced.

The GIS said an agreement establishing relations was signed in New York by Spain's permanent representative to the United Nations, Fernando Moran and Jonathan Peters, St Vincent and the Grenadines newly appointed ambassador and permanent representative to the United Nations.

SHOTS FIRED AT ALBINA ARMY POST; THREE WOUNDED

FL222324 Bridgetown CANA in English 2239 GMT 22 Jul 86

[Text] Paramaribo, Suriname, July 22, CANA-REUTER -- Three people were wounded today in an attack on an Army outpost at Albina on Suriname's border with French Guiana, government officials said.

The attack occurred early this morning when unidentified people fired on the military post at Albina, 125 km (70 miles) east of Paramaribo on the Marowijne River which separates Suriname from French Guiana.

Troops returned fire and the attackers fled, leaving behind vehicles and guns, according to the military government's National Information Service (NVD).

There was no indication of whether the wounded were civilians or military.

The Army has the situation under control, the NVD statement said. It called on local residents to cooperate.

The Marowijne district has been the scene of bandit activity led by Ronny Brunswijk, a former military commander now wanted by the Suriname authorities for bank robbery and escaping from prison in January 1985.

However, the Surinamese authorities did not immediately connect Brunswijk with today's incident.

INTER-AMERICAN AFFAIRS

ADDITIONAL RESOLUTIONS FROM L.A. PARLIAMENT

PY220321 Madrid EFE in Spanish 1814 GMT 21 Jul 86

[Text] Santa Cruz de la Sierra (Bolivia), 21 Jul (EFE) -- The Latin American Parliament today approved a resolution calling on all Latin American democratic countries to hold meetings and to fight in a global manner against drug trafficking. The delegates also approved resolutions on the informal debt; on foreign debt; on political, social, economic, and cultural integration of Latin and Central American countries; and on democracy in Latin America. Regarding the foreign debt, the delegates ratified the Montevideo Statement, which urges Latin American governments to negotiate the reduction of the debt "so as to represent a reasonable and agreed upon percentage of each country's gross domestic product."

Regarding the Central American conflict, they condemned "any form of intervention, regardless of its origin, that may prevent a just, peaceful, and negotiated solution as proposed by the Contadora Group and its Support Group. Such a solution is the right of the Central Americans."

As an immediate plan of action for integration, the assembly's Permanent Commission for Economic Integration has proposed the development of the Latin American identity through the formulation and edition of a history textbook. According to the delegates, this book should stress ethnic, sociological, and cultural similarities, as well as the common desire for liberty, equality, justice, democracy, and pluralism, "which are values that preserve and protect the principles of nonintervention and free self-determination of nations."

The conference began on 17 July in Santa Cruz de la Sierra with the participation of four delegates from Argentina, three from the Dutch Antilles, one from Brazil, three from Costa Rica, five from Mexico, one from the Dominican Republic, three from Peru, two from Cuba, two from Venezuela, and eight from Bolivia.

DOMINICAN REPUBLIC

BALAGUER POSTPONES U.S. VISIT DUE TO ILLNESS

PA221941 Paris AFP in Spanish 1856 GMT 22 Jul 86

[Text] Santo Domingo, 22 Jul (AFP) -- Dominican President-elect Joaquin Balaguer postponed a visit to the United States he was to have begun today due to a swelling in his left leg, sources close to the 78-year-old Balaguer reported.

The leg became swollen in the same area in which he underwent an operation for varicose veins in 1981. As the inflammation is subsiding, his departure has been rescheduled for Saturday, 26 July, the sources pointed out, according to Santo Domingo's afternoon paper ULTIMA HORA.

During his 1-week stay in the United States, Balaguer was to meet with President Reagan at the White House, according to the Social Christian Reformist Party. The party helped elect Balaguer president for the fifth time in the 16 May general elections.